

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 28, 2024

NEW ISSUE - BOOK-ENTRY-ONLY

RATING: "Aa1" (Moody's)

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, assuming continuing compliance by the Authority and the County (each as hereinafter defined) with certain tax covenants described herein, under existing law, interest on the Series 2024 Bonds (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations. In addition, interest on the Series 2024 Bonds and any gain from the sale thereof are not included in the gross income of owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed. See "TAX MATTERS" herein.

\$24,340,000*

THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY (Gloucester County, New Jersey) COUNTY GENERAL OBLIGATION LOAN REVENUE BONDS (HEALTH SCIENCES EDUCATIONAL FACILITIES PROJECTS), SERIES 2024

Dated: Date of Delivery

Due: March 1, as shown on the inside cover

The \$24,340,000* aggregate principal amount of County General Obligation Loan Revenue Bonds (Health Sciences Educational Facilities Projects), Series 2024 (the "Series 2024 Bonds") are being issued by the Gloucester County Improvement Authority (the "Authority"), a political subdivision and public body corporate and politic of the State of New Jersey (the "State"), pursuant to: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act"); (ii) a resolution of the Authority duly adopted on July 18, 2024 (the "Bond Resolution"); and (iii) a Trust Indenture, dated as of September 1, 2024 (the "Indenture"), between the Authority and TD Bank, National Association, Mount Laurel, New Jersey, as trustee (the "Trustee," "Paying Agent" and "Registrar").

The Series 2024 Bonds will be issued in fully registered form and, when issued, will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company ("DTC"), an automated depository for securities and a clearinghouse for securities transactions. Individual purchases of the Series 2024 Bonds will be made in book-entry form (without certificates) in denominations of \$5,000 or any integral multiple thereof. The principal of the Series 2024 Bonds is payable on their respective maturity dates, in the respective years and in the respective amounts set forth on the inside front cover page hereof. Interest on the Series 2024 Bonds is payable semi-annually on September 1 and March 1 of each year, commencing March 1, 2025, until maturity or earlier redemption thereof at the respective rates set forth on the inside front cover page hereof. The principal or Redemption Price (as hereinafter defined) of the Series 2024 Bonds will be payable upon presentation and surrender thereof at the designated corporate trust office of the Trustee.

So long as Cede & Co. is the registered owner of the Series 2024 Bonds, payments of principal or Redemption Price of and interest on the Series 2024 Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants (as hereinafter defined) which will, in turn, remit such payments to the Beneficial Owners (as hereinafter defined) of the Series 2024 Bonds. Purchasers will not receive certificates representing their beneficial ownership interest in the Series 2024 Bonds purchased. For so long as any purchaser is a Beneficial Owner of a Series 2024 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal or Redemption Price of and interest on such Series 2024 Bond.

The Authority and the County of Gloucester, New Jersey (the "County") have entered into a Loan and Security Agreement, dated as of September 1, 2024 (the "Loan Agreement"), pursuant to which: (i) the Authority will lend to the County the proceeds of the Series 2024 Bonds, which will be used for the purpose of (a) paying the Costs (as defined in the Loan Agreement) of the construction and equipping of certain health science educational facilities projects by the County including (1) the development and construction of an approximately 41,000 square foot state-of-the-art nursing school facility to include classrooms, laboratories, offices and administrative space ("Nursing School Project Facilities") to be built on approximately two (2) acres of land adjacent to the South Jersey Technology Park on the north side of Rowan University's (the "Public University" or "Rowan") west campus in Mullica Hill, New Jersey ("Nursing School Project Site"), which Nursing School Project Site will be leased to the County by Rowan, (2) the development and construction of an expansion to the County's Rowan College of South Jersey's Sewell, New Jersey campus

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion, and amendment without notice. The Series 2024 Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstance shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The Authority has deemed this Preliminary Official Statement to be final for purposes of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, except for certain information which has been omitted in accordance with such Rule and which will be provided in the final Official Statement.

facilities to include new facilities for the Rowan-Virtua School of Osteopathic Medicine's Physician Assistant program ("PA Project Facilities") to include an approximately 12,000 square foot addition to such facilities and (3) the completion of such other improvements and work and the acquisition of such equipment and materials as may be necessary or appropriate for the completion of the capital improvements described in clauses (1) and (2), above (collectively referred to as the "Projects"), and (b) paying the costs of issuing the Series 2024 Bonds; and (ii) the County will pay the Authority an aggregate amount equal to the principal of, redemption premium, if any, and interest on the Series 2024 Bonds and, as applicable, Additional Loan Payments (as defined in the Loan Agreement) (collectively, the "Loan Payments") as the same become due and payable on each Loan Payment Date (as defined in the Loan Agreement). See "PURPOSE OF THE SERIES 2024 BOND ISSUE" herein.

The Series 2024 Bonds are direct, limited and special obligations of the Authority payable solely from the Revenues (as defined in the Indenture) and secured by the Pledged Property (as defined in the Indenture). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS" herein. The Revenues include, among other things, the Loan Payments to be made by the County under the Loan Agreement. The Loan Agreement is a valid and enforceable full faith and credit general obligation of the County and the Loan Payments made thereunder, unless paid from other sources, are payable from the levy of *ad valorem* taxes upon all taxable property within the jurisdiction of the County without limitation as to rate or amount. While the County anticipates entering into one or more lease agreements with "Public University" for the use and occupancy of the Nursing School Project Facilities and the PA Project Facilities (collectively, the "Public University Leases"), NEITHER THE PUBLIC UNIVERSITY LEASES NOR THE FAITH AND CREDIT OF THE PUBLIC UNIVERSITY ARE PLEDGED DIRECTLY TO REPAYMENT OF THE SERIES 2024 BONDS. THE SERIES 2024 BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE PUBLIC UNIVERSITY, AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID PUBLIC UNIVERSITY, EITHER LEGAL, MORAL OR OTHERWISE. Any payments received by the County pursuant to the Public University Leases shall constitute general revenues of the County available to meet the obligations of the County generally, including, but not limited to, other indebtedness and general obligation bonds of the County.

The Series 2024 Bonds are subject to optional redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2024 BONDS - Optional Redemption" herein.

THE SERIES 2024 BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, TO THE EXTENT OF THE PLEDGED PROPERTY, AND THE COUNTY, TO THE EXTENT OF ITS LOAN PAYMENTS UNDER THE LOAN AGREEMENT), AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE OR ANY SUCH SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, TO THE EXTENT OF THE PLEDGED PROPERTY, AND THE COUNTY, TO THE EXTENT OF ITS LOAN PAYMENTS UNDER THE LOAN AGREEMENT) EITHER LEGAL, MORAL OR OTHERWISE. THE AUTHORITY HAS NO TAXING POWER.

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

The Series 2024 Bonds are offered when, as and if issued by the Authority, subject to the approval of certain legal matters, by Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority, and certain other conditions. Certain matters will be passed upon for the Authority by its counsel, John A. Alice, Esquire, Woodbury, New Jersey; for the County by Eric Campo, Esquire, Woodbury, New Jersey; and for the Underwriters by their counsel, Stradley Ronon Stevens & Young, LLP, Malvern, Pennsylvania. Acacia Financial Group, Inc., Mount Laurel, New Jersey has acted as Municipal Advisor to the Authority in connection with the issuance of the Series 2024 Bonds. It is expected that the Series 2024 Bonds will be available for delivery through the facilities of DTC in New York New York on or about [September __, 2024].

RAYMOND JAMES®

STIFEL

Dated: [September __, 2024]

\$24,340,000*
THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY
(Gloucester County, New Jersey)
COUNTY GENERAL OBLIGATION LOAN REVENUE BONDS
(HEALTH SCIENCES EDUCATIONAL FACILITIES PROJECTS), SERIES 2024

MATURITY SCHEDULE

<u>Maturity Date</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> **
2025	\$1,170,000			
2026	1,170,000			
2027	1,230,000			
2028	1,295,000			
2029	1,360,000			
2030	1,430,000			
2031	1,505,000			
2032	1,580,000			
2033	1,665,000			
2034	1,750,000			
2035	1,840,000			
2036	1,935,000			
2037	2,030,000			
2038	2,135,000			
2039	2,245,000			

*Preliminary, subject to change.

** "CUSIP" is a registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. The CUSIP numbers listed above for the Series 2024 Bonds are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2024 Bonds. The Authority and the Trustee do 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 the Series 2024 Bonds is subject to being changed after the issuance of the Series 2024 Bonds 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 the Series 2024 Bonds.

THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY

**109 Budd Boulevard
Woodbury, New Jersey 08096**

BOARD MEMBERS

Charles Fentress	Chairperson
Paul Medany	Vice Chairperson
Paul W. Lenkowski	Secretary/Treasurer
Gregory C. Ferretti	Assistant Secretary/Assistant Treasurer
Charles Della Vecchia	Commissioner

EXECUTIVE DIRECTOR

George D. Strachan

GENERAL COUNSEL

John A. Alice, Esquire
Woodbury, New Jersey

BOND COUNSEL

Parker McCay P.A.
Mount Laurel, New Jersey

MUNICIPAL ADVISOR

Acacia Financial Group, Inc.
Mount Laurel, New Jersey

TRUSTEE, REGISTRAR AND PAYING AGENT

TD Bank, National Association
Mount Laurel, New Jersey

COUNTY OF GLOUCESTER, NEW JERSEY

2 South Broad Street
Woodbury, New Jersey 08096

BOARD OF COUNTY COMMISSIONERS

Frank J. DiMarco Director
Jim JeffersonDeputy Director
Denise DiCarlo..... Commissioner
Nicholas DeSilvio Commissioner
Joann Gattinelli Commissioner
Matthew Wang Commissioner
Christopher Konawel, Jr. Commissioner

CLERK OF THE BOARD OF COUNTY COMMISSIONERS

Laurie J. Burns

COUNTY ADMINISTRATIVE OFFICERS

Chad M. BurnerAdministrator
Tracey N. GiordanoChief Financial Officer
Eric M. Campo, Esquire..... County Counsel

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2024 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

The information which is set forth herein has been provided by The Gloucester County Improvement Authority (the "Authority"), the County of Gloucester, New Jersey (the "County"), The Depository Trust Company ("DTC") and by other sources which are believed to be reliable by the Authority, but the information provided by such sources is not guaranteed as to accuracy or completeness by the Authority. Certain general and financial information concerning the County is contained in Appendices "A" and "B" to this Official Statement. Such information has been furnished by the County. The Authority has not confirmed the accuracy or completeness of such information (except in those limited instances in which the Authority has provided information to the County, which the County has included in Appendix "A") and the Authority disclaims any responsibility for the accuracy or completeness thereof (except in those limited instances in which the Authority has provided information to the County, which the County has included in Appendix "A"). TD Bank, National Association, by acceptance of its duties as Trustee, Paying Agent and Registrar under the Indenture, and its counsel have not participated in the preparation of this Official Statement and, as such, the Trustee disclaims any responsibility for the accuracy or completeness of the information set forth in this Official Statement.

The Underwriters have reviewed this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Where the Constitution or statutes of the State of New Jersey are referred to, reference should be made to such Constitution or statutes for a complete statement of the matters referred to therein. This Official Statement is submitted in connection with the sale of the Series 2024 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

No dealer, broker, salesman or any other person has been authorized by the Authority to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2024 Bonds; and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the County since the date hereof.

THE SERIES 2024 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2024 BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2024 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2024 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT.

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

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OFFICIAL STATEMENT

RELATING TO

\$24,340,000*

THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY (Gloucester County, New Jersey) COUNTY GENERAL OBLIGATION LOAN REVENUE BONDS (HEALTH SCIENCES EDUCATIONAL FACILITIES PROJECTS), SERIES 2024

INTRODUCTION

This Official Statement, which includes the cover page hereof and the Appendices attached hereto, is furnished by the Gloucester County Improvement Authority (the "Authority"), a political subdivision and public body corporate and politic of the State of New Jersey (the "State"), to provide certain information relating to: (i) the Authority; (ii) the capital improvements to be constructed by the County of Gloucester, New Jersey (the "County") with the proceeds of the Series 2024 Bonds (as hereinafter defined); (iii) the County itself; and (iv) the \$ 24,340,000* aggregate principal amount of County General Obligation Loan Revenue Bonds (Health Sciences Educational Facilities Projects), Series 2024 (the "Series 2024 Bonds").

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

The Series 2024 Bonds are issued pursuant to: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State (*N.J.S.A. 40:37A-44 et seq.*), and the acts amendatory thereof and supplemental thereto (the "Act"); (ii) a resolution of the Authority duly adopted on July 18, 2024 (the "Bond Resolution"); and (iii) a Trust Indenture, dated as of September 1, 2024 (the "Indenture") between the Authority and TD Bank, National Association, Mount Laurel, New Jersey, as trustee, paying agent and registrar (the "Trustee," "Paying Agent" and "Registrar").

The Series 2024 Bonds are being issued by the Authority to provide funds which will be used for the purpose of (a) the construction and equipping by the County of certain health science educational capital projects including (1) the development and construction of an approximately 41,000 square foot state-of-the-art nursing school facility to include classrooms, laboratories, offices and administrative space ("Nursing School Project Facilities") to be built on approximately two (2) acres of land adjacent to the South Jersey Technology Park on the north side of Rowan University's (the "Public University" or "Rowan") west campus in Mullica Hill, New Jersey ("Nursing School Project Site"), which Nursing School Project Site will be leased to the County by Rowan, (2) the development and construction of an expansion to the County's Rowan College of South Jersey's Sewell, New Jersey campus facilities to include new facilities for the Rowan-Virtua School of Osteopathic Medicine's Physician Assistant program ("PA Project Facilities") to include an approximately 12,000 square foot addition to such facilities and (3) the completion of such other improvements and work and the acquisition of such equipment and materials as may be necessary or appropriate for the completion of the capital improvements described in clauses (1) and (2), above (collectively referred to as the "Projects"), and (b) paying the costs of issuing the Series 2024 Bonds (together with the Projects, the "2024 Project").

In connection with the issuance of the Series 2024 Bonds, the Authority and the County will enter into a Loan and Security Agreement, dated as of September 1, 2024 (the "Loan Agreement"), pursuant to which: (i) the Authority will lend to the County the proceeds of the Series 2024 Bonds which will be used for the purpose of paying the costs of the 2024 Project; and (ii) the County will pay, as loan repayments to the Authority on each Loan Payment Date, an amount equal to the aggregate principal of, redemption premium, if any, and interest on the Series 2024 Bonds and, as applicable, Additional Loan Payments as and when the same become due and payable upon demand pursuant to the terms of the Loan Agreement (collectively, the "Loan Payments").

The Series 2024 Bonds are direct, limited and special obligations of the Authority payable solely from the Revenues and secured by the Pledged Property (as such terms are described herein under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS - General"). The Revenues include, among other things, the Loan Payments to be made by the County under the Loan Agreement. The Board of County Commissioners of the County (the "Board") has, by ordinance duly and finally adopted on July 17, 2024 (the "County Loan Ordinance"), in accordance with the procedures outlined in the Local Bond Law, constituting Chapter 169 of the Pamphlet Laws of 1960 of the State, as amended and supplemented (*N.J.S.A. 40A:2-1 et seq.*) (the "Local Bond Law"), authorized the execution and performance on behalf of the County of the Loan Agreement and the pledge of the County's full faith and credit to the payment of the County's Loan Payment obligations under the Loan Agreement. The

County's Loan Payment obligations under the Loan Agreement are enforceable regardless of whether Loan Payments are budgeted for by the County.

Copies of the Bond Resolution, Indenture and the Loan Agreement are on file at the offices of the Authority in Woodbury, New Jersey and at the designated corporate trust office of the Trustee in Mount Laurel, New Jersey, and reference is made to such documents for the provisions relating to, among other things, the terms of and the security for the Series 2024 Bonds, the custody and application of the proceeds of the Series 2024 Bonds, the rights and remedies of the holders of the Series 2024 Bonds, and the rights, duties and obligations of the Authority, the County and the Trustee.

There follows in this Official Statement brief descriptions of the Series 2024 Bonds, the Indenture, the Loan Agreement, the Authority and the Projects. A brief description of the County and an excerpt of the Report of Audit of Financial Statements of the County are attached to this Official Statement as Appendices "A" and "B," respectively. The Authority has not confirmed the accuracy or completeness of such information (except in those limited instances in which the Authority has provided information to the County, which the County has included in Appendix "A"), and the Authority disclaims any responsibility for the accuracy or completeness thereof (except in those limited instances in which the Authority has provided information to the County, which the County has included in Appendix "A").

The summaries of and references to all documents, statutes, reports and other instruments which are referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to such document, statute, report or instrument.

AUTHORIZATION FOR THE SERIES 2024 BONDS

The Series 2024 Bonds are issued under and authorized pursuant to the Constitution and laws of the State including, particularly, the Act and the Bond Resolution.

The financing plan of the Authority regarding the Series 2024 Bonds was reviewed by the Local Finance Board of the Division of Local Government Services within the State Department of Community Affairs (the "Local Finance Board") at a meeting held on July 10, 2024. On said date, the Local Finance Board passed a resolution approving the method proposed for funding the costs of the 2024 Project and the terms of the financing. The Authority will confirm the findings of the Local Finance Board by resolution in accordance with *N.J.S.A. 40A:5A-7*.

The authorization for the execution and delivery of the Loan Agreement by the County, and the pledge of the full faith and credit of the County for the Loan Payment obligations thereunder, was provided by adoption of the County Loan Ordinance in accordance with the Local Bond Law on July 17, 2024.

In accordance with *N.J.S.A. 40:37A-56*, the County will authorize the undertaking of the 2024 Project by the Authority and the issuance by the Authority of the Series 2024 Bonds pursuant to a resolution to be adopted by the Board of County Commissioners on September 4, 2024.

PURPOSE OF THE SERIES 2024 BOND ISSUE

General

The Series 2024 Bonds are being issued by the Authority to provide funds to finance, on behalf of the County, the 2024 Project.

The Projects

A portion of the Series 2024 Bond proceeds will be used for the purpose of paying the Costs (as defined in the Loan Agreement) of the Projects, which include the Nursing School Project Facilities and the PA Project Facilities.

The Nursing School Facilities and the PA Project Facilities each serve as a continuation of the County's commitment to health sciences education and research in collaboration with the Public University.

Nursing School Project Facilities

The Nursing School Project Facilities include the development and construction of an approximately 41,000 square foot state-of-the-art nursing school facility to include classrooms, laboratories, offices and administrative space to be built on approximately

two (2) acres of land adjacent to the South Jersey Technology Park on the north side of Public University's west campus in Mullica Hill, New Jersey (i.e., the Nursing School Project Site), which Nursing School Project Site will be leased to the County by Rowan. The Nursing School Project Facilities will also include the completion of such other improvements and work and the acquisition of such equipment and materials as may be necessary or appropriate for the completion thereof.

PA Project Facilities

The PA Project Facilities include the development and construction of an expansion to the County's Rowan College of South Jersey's Sewell, New Jersey campus facilities to include new facilities for the Rowan-Virtua School of Osteopathic Medicine's Physician Assistant program to include an approximately 12,000 square foot addition to the existing facilities of the County at Rowan College of South Jersey. The PA Project Facilities will also include the completion of such other improvements and work and the acquisition of such equipment and materials as may be necessary or appropriate for the completion thereof.

The term "Costs" includes, with respect to the 2024 Project or any portion thereof, together with any other proper and reasonable item of cost not specifically mentioned therein, whether incurred prior to or after the date of the Loan Agreement: (i) the costs of payment of, or reimbursement for, the acquisition, construction, equipping and furnishing of the 2024 Project including, but not limited to, environmental or remediation costs, advances or progress payments, appraisals, engineering, design, site work, surveys, title insurance, demolition, acquisition costs, construction and equipment costs, installation costs, administrative costs and capital expenditures relating to the 2024 Project, capitalized interest, financing payments, sales taxes, excise taxes, property taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs, fees and charges of the Trustee pursuant to the Indenture, financing documents, legal fees and charges, all financial, accounting and other professional consultant fees, the Initial Authority Financing Fee for a particular Series of Bonds, all professional and consulting fees and charges of the Authority, including but not limited to the Project Management Fee for the 2024 Project, if any, and of the County, costs of rating agencies, bond insurance, bond insurers or credit ratings, fees for the printing, execution, transportation and safekeeping of any Series of Bonds, and any charges and fees in connection with any of the foregoing, subject to any limitations as to amount imposed by the provisions of the Code; (ii) all other costs which the County or the Authority shall be required to pay under the terms of any contract or contracts for the acquisition, construction, equipping and furnishing of the 2024 Project including, but not limited to, the cost of insurance; (iii) any sums required to reimburse the County for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the 2024 Project; (iv) deposits in any Fund or Account under the Indenture, all as shall be provided in the Indenture; and (v) such other expenses not specified in the Loan Agreement or in the Indenture as may be necessary or incidental to the acquisition, construction, equipping and furnishing of the Projects, the financing thereof and the placing of the same in use and operation. Cost as defined in the Loan Agreement shall be deemed to include the costs and expenses incurred by any agent of the Authority or the County for any of the above-mentioned items or in connection with the administration and enforcement of the Indenture, the Continuing Disclosure Agreement and the Loan Agreement.

As contemplated by the Loan Agreement, the majority of the Improvements and Equipment constituting the Projects will be financed with Series 2024 Bond proceeds; provided, however, that, prior to the County's delivery of a Completion Certificate for any Item, the County may, in accordance with the terms of the Loan Agreement, for any reason elect to substitute one or more other Items of Equipment or Improvements for the Items of Equipment and Improvements constituting the Projects. The Loan Agreement requires, among other things: (i) that no such substitution shall be made without certification to the Trustee by the County that the aggregate value of all Items of Equipment and Improvements financed with proceeds of the Series 2024 Bonds for which a Completion Certificate has been delivered, plus the value of the new Items of Equipment and Improvements to be purchased with proceeds of the Series 2024 Bonds is equal to at least 100% of the amount of Series 2024 Bond proceeds initially deposited in the 2024 Account in the Acquisition Fund established pursuant to the Indenture for the Series 2024 Bonds; (ii) that a new Exhibit G to the Loan Agreement be delivered to the Trustee setting forth the new Items of Equipment to be acquired and/or Improvements to be constructed; (iii) an opinion of counsel that is satisfactory to the Authority to the effect that each of such substitutions and the Loan Agreement, as supplemented thereby, are in compliance with all applicable laws and that the financing of such new Items falls within the corporate powers of the Authority; and (iv) an opinion of Bond Counsel to the effect that such substitution will not adversely affect the exclusion of interest on any Series of Tax-Exempt Obligations (including the Outstanding Series 2024 Bonds) from the gross income of the owners thereof for Federal income taxation purposes.

While the County anticipates entering into one or more lease agreements with the Public University for the use and occupancy of the Nursing School Project Facilities and the PA Project Facilities (collectively, the "Public University Leases"), NEITHER THE PUBLIC UNIVERSITY LEASES NOR THE FAITH AND CREDIT OF THE PUBLIC UNIVERSITY ARE PLEDGED DIRECTLY TO REPAYMENT OF THE SERIES 2024 BONDS. THE SERIES 2024 BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE PUBLIC UNIVERSITY, AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID PUBLIC UNIVERSITY, EITHER LEGAL, MORAL OR OTHERWISE. Any payments received by the County pursuant to the Public University Leases shall constitute general revenues of the County available to meet the obligations of the County generally including, but not limited to, other indebtedness and general obligation bonds of the County.

DESCRIPTION OF THE SERIES 2024 BONDS

General

The Series 2024 Bonds are issuable as fully registered bonds. The Series 2024 Bonds will mature on the respective dates and bear interest at the respective rates set forth on the inside front cover page of this Official Statement and will be issued in book-entry form. So long as The Depository Trust Company ("DTC"), or its nominee, Cede & Co., is the registered owner of the Series 2024 Bonds, payments of the principal or Redemption Price of, and interest on, the Series 2024 Bonds will be made directly to Cede & Co., as nominee for DTC. Disbursement of such payments to the participants of DTC (the "DTC Participants") is the responsibility of DTC and the disbursement of such payments to the Beneficial Owners (as defined herein) of the Series 2024 Bonds is the responsibility of the DTC Participants and not the Authority or the Paying Agent. See "DESCRIPTION OF THE SERIES 2024 BONDS - Book-Entry-Only System" below.

Interest on the Series 2024 Bonds, calculated on the basis of a 360-day year of twelve 30-day months, is payable semi-annually on September 1 and March 1 of each year, commencing on March 1, 2025, by check of the Trustee or, for Registered Owners of \$1,000,000 or more in principal amount of Series 2024 Bonds which have submitted to the Trustee (upon three (3) Business Days' written notice in advance of the applicable Record Date) a written request therefor, wire transfer by the Paying Agent to the Registered Owners of such Series 2024 Bonds. Principal or Redemption Price of the Series 2024 Bonds will be paid on any Principal Installment Date upon presentation and surrender of the Series 2024 Bonds at the designated corporate trust office of the Trustee.

Any interest on any Series 2024 Bond which is payable, but is not punctually paid or provided for, on any Interest Payment Date (herein called "Default Interest") shall forthwith cease to be payable to the person who is the Registered Owner on the relevant Record Date, and such Default Interest shall be paid to the Registered Owner in whose name the Series 2024 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) days nor less than ten (10) days (whether or not a Business Day) prior to the date of the proposed payment.

Optional Redemption

The Series 2024 Bonds maturing prior to March 1, [20__] are not subject to optional redemption prior to maturity. The Series 2024 Bonds maturing on or after March 1, [20__] are subject to optional redemption prior to maturity at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the County in accordance with the terms of the Loan Agreement, on or after March 1, [20__] in whole or in part at any time, and, if in part, in such order of maturity as the County may direct and, within a maturity, by lot (or other customary method of selection determined by the Trustee), at a Redemption Price equal to one hundred percent (100%) of the principal amount of Series 2024 Bonds to be redeemed, plus accrued interest to the redemption date.

Notice of Redemption

In the case of any redemption of Series 2024 Bonds by the Authority at the written direction of the County, the Authority shall give written notice to the Trustee of the election or direction of the County to so redeem, except for the redemption of Series 2024 Bonds pursuant to mandatory sinking fund redemption, if any. Such notice shall be given at least sixty (60) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. When the Trustee receives such notice from the Authority to redeem Series 2024 Bonds and written notice from the County of its consent to the redemption of the Series 2024 Bonds, the Trustee shall cause a notice to be deposited in the United States mail first class, postage prepaid, at least thirty (30) days and not more than sixty (60) days prior to the redemption date addressed to the Registered Owners of the Series 2024 Bonds (or portions thereof) called for redemption, at the addresses appearing in the registry books kept by the Trustee. Such notice shall be given in the name of the Authority, shall identify the maturities of the Series 2024 Bonds to be redeemed, the redemption date, the Redemption Price and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2024 Bonds of any maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2024 Bonds so to be redeemed and, in the case of the Series 2024 Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable on each Series 2024 Bond to be redeemed the Redemption Price thereof, or of such specified portions of the principal amount thereof, in the case of the Series 2024 Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date and that from and after such date interest thereon shall cease to accrue and be payable. Any defect in or failure to give such notice with respect to any particular Series 2024 Bond shall not affect the validity of any such redemption of other Series 2024 Bonds.

Any notice of redemption of the Series 2024 Bonds may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the Redemption Price, together with interest accrued and unpaid to the redemption date,

and any conditional notice so given may be rescinded at any time to and including the redemption date if such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds being on deposit with the Paying Agent to pay the Redemption Price on the redemption date, the corresponding conditional notice of redemption shall be deemed to have been revoked *nunc pro tunc* and shall be deemed to be null and void as if never given and such Series 2024 Bonds or portions thereof shall continue to bear interest until paid at maturity at the same rate as they would have borne had they not been called for redemption.

If, on the redemption date, moneys for the redemption of all the Series 2024 Bonds or portions thereof, together with interest thereon to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date, then from and after the redemption date interest on the Series 2024 Bonds or portions thereof so called for redemption shall cease to accrue and become payable.

So long as the Series 2024 Bonds are in book-entry form, the Trustee shall mail such notice solely to DTC and the Trustee will not send redemption notices to Beneficial Owners of the Series 2024 Bonds.

Book-Entry-Only System

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

Initially, the Series 2024 Bonds will be in book-entry form only. Purchasers of the Series 2024 Bonds will not receive certificates representing their beneficial ownership interests in the Series 2024 Bonds purchased. DTC will act as the initial securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2024 Bond certificate will be issued for each maturity of the Series 2024 Bonds in the respective aggregate principal amount of such maturity as set forth on the inside front cover page hereof, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has S&P's (as defined herein) rating of "AA+." The DTC rules applicable to the DTC Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com. So long as the Series 2024 Bonds are maintained in book-entry form with DTC, the following procedures will be applicable with respect to the Series 2024 Bonds.

Purchases of the Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2024 Bonds (the "Beneficial Owner") is in turn to be recorded on the Direct Participants' 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 Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024 Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2024 Bonds 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 Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of a maturity of the Series 2024 Bonds is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal or Redemption Price of and interest with respect to the Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC 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 DTC Participant and not of DTC or its nominee, the Trustee, the Registrar, the Paying Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal or Redemption Price of and interest with respect to the Series 2024 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, the Registrar, the Paying Agent, or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2024 Bond certificates are required to be printed and delivered.

In addition, the Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2024 Bond certificates will be printed and delivered to DTC.

So long as Cede & Co. is the registered owner of the Series 2024 Bonds, as nominee of DTC, references herein to the Bondholders or Registered Owners of the Series 2024 Bonds (excluding all references thereto under the heading "TAX MATTERS" herein) means Cede & Co., not the Beneficial Owners of the Series 2024 Bonds.

THE AUTHORITY, THE COUNTY, THE TRUSTEE, THE UNDERWRITERS (UNLESS THE UNDERWRITERS ARE ACTING IN THE CAPACITY AS A DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF DTC), THE REGISTRAR AND THE PAYING AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS DTC PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE SERIES 2024 BONDS (1) PAYMENTS OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2024 BONDS, OR (2) CONFIRMATION OF OWNERSHIP INTERESTS IN THE SERIES 2024 BONDS, OR (3) REDEMPTION OR OTHER NOTICES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH ITS DTC PARTICIPANTS ARE ON FILE WITH DTC.

NONE OF THE AUTHORITY, THE COUNTY, THE TRUSTEE, THE UNDERWRITERS (UNLESS THE UNDERWRITERS ARE ACTING IN THE CAPACITY AS A DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF DTC), THE REGISTRAR OR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OF THE SERIES 2024 BONDS WITH RESPECT TO: (1) THE SERIES 2024 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ITS NOMINEE, OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY

BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON ANY SERIES 2024 BONDS; (4) THE DELIVERY BY DTC, ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE Indenture TO BE GIVEN TO THE BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2024 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS

General

The Series 2024 Bonds constitute direct, limited and special obligations of the Authority and are payable solely from the Revenues (as described herein and as defined in the Indenture) and secured by the Pledged Property (as described herein and as defined in the Indenture), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Series 2024 Bonds are not payable from general funds of the Authority and shall not constitute a legal or equitable pledge or lien or encumbrance upon any of the assets or property of the Authority or upon any of its income, receipts or revenues, except as provided in the Indenture. The full faith and credit of the Authority are not pledged, either expressly or by implication, to the payment of the Series 2024 Bonds. The Authority has no taxing power. The Authority has no claim on revenues or receipts of the State or any agency or political subdivision thereof (except the County to the extent of the Loan Payments under the Loan Agreement).

The term "Pledged Property" is defined in the Indenture as: (i) the Revenues; (ii) the Funds and Accounts established under the Indenture (other than the Rebate Fund), including Investment Securities held in any such Funds and Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Series 2024 Bonds in accordance with the terms and provisions of the Indenture.

The term "Revenues" is defined in the Indenture as: (i) all amounts, including Loan Payments, received by the Authority from the County under the Loan Agreement; (ii) any moneys or securities held pursuant to the Indenture and paid or required to be paid into the Debt Service Fund; (iii) interest received on any moneys or Investment Securities held under the Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to the Indenture; and (iv) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Bonds pursuant to a Supplemental Indenture.

The Loan Payments to be made by the County pursuant to the Loan Agreement are equal to the amount of the principal or Redemption Price of and interest on the Series 2024 Bonds due on each Loan Payment Date and, as applicable, Additional Loan Payments (including, but not limited to, administrative expenses of the Authority with respect to the Series 2024 Bonds incurred by the Authority from time to time) as and when the same become due and payable upon demand pursuant to the terms of the Loan Agreement. Pursuant to the Loan Agreement, the County has covenanted to budget in each fiscal year amounts for the purpose of satisfying the Loan Payments to be made by the County to the Authority pursuant to the terms of the Loan Agreement. Nevertheless, the payment obligations created under the Loan Agreement are direct, general, irrevocable and unconditional obligations of the County payable from any source legally available to the County, including, without limitation, the general tax revenues of the County, and the County shall, if necessary, levy *ad valorem* taxes upon all the taxable property within the jurisdiction of the County for the payment of such obligations, without limitation as to rate or amount. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – Loan Agreement" herein.

The Loan Payments (excluding Additional Loan Payments) include scheduled payments of principal of the Series 2024 Bonds (including Sinking Fund Installments, if any, and payments of principal upon maturity of serial maturity Series 2024 Bonds), and scheduled payments of interest on the Series 2024 Bonds. The County may be required, under certain circumstances, to make any accelerated payments of the principal amount of the Series 2024 Bonds. In particular, upon the occurrence of an Event of Default under the Indenture, the Trustee may (and, at the direction of a majority of the holders of Outstanding Series 2024 Bonds, the Trustee shall) declare the principal of all Series 2024 Bonds then Outstanding under the Indenture to be due and payable immediately.

No recourse shall be had by the Trustee or any Bondholder for any claim based on the Series 2024 Bonds or the Indenture against any director, commissioner, member, officer, agent or employee, past, present or future, of, as the case may be, the Authority or the County, either directly or through the Authority or the County, as the case may be, or any such successor body, under any constitutional provision, statute or rule of law or by assessment or penalty or by any legal or equitable proceeding or otherwise. No covenant, stipulation, obligation or agreement of the Authority or the County contained in the Series 2024 Bonds or the Indenture or in any document to which the Authority or the County is a party shall be deemed to be a stipulation, obligation or agreement of any present or future director, commissioner, member, officer, agent or employee of, as the case may be, the Authority

or the County in his individual capacity, and any director, commissioner, member, officer, agent or employee of, as the case may be, the Authority or the County executing the Series 2024 Bonds shall not be liable personally thereon or subject to any personal liability or accountability by reason of the issuance thereof.

While the County anticipates entering into the Public University Leases with the Public University, NEITHER THE PUBLIC UNIVERSITY LEASES NOR THE FAITH AND CREDIT OF THE PUBLIC UNIVERSITY ARE PLEDGED DIRECTLY TO REPAYMENT OF THE SERIES 2024 BONDS. THE SERIES 2024 BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE PUBLIC UNIVERSITY, AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID PUBLIC UNIVERSITY, EITHER LEGAL, MORAL OR OTHERWISE. Any payments received by the County pursuant to the Public University Leases shall constitute general revenues of the County available to meet the obligations of the County generally including, but not limited to, other indebtedness and general obligation bonds of the County.

Loan Agreement

The Authority and the County have entered into the Loan Agreement in order to secure the Series 2024 Bonds. With respect to the Series 2024 Bonds, pursuant to the terms of the Loan Agreement, the County is required to make Loan Payments to the Authority on each Loan Payment Date in an amount equal to the Debt Service payable on the Series 2024 Bonds on the immediately succeeding Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as the case may be, subject to a credit for investment earnings and certain other amounts received by the Trustee as provided therein. Loan Payment Dates occur five (5) Business Days prior to each Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as applicable. In addition, the County is required to make Additional Loan Payments to cover certain administrative expenses of the Trustee and the Authority and other professional fees and the Rebate Amount, if any.

The obligation of the County to pay Loan Payments provided for in the Loan Agreement and to perform its obligations under the Loan Agreement is absolute and unconditional and secured by the full faith and credit pledge of the County. The obligation of the County to pay Loan Payments is enforceable regardless of whether Loan Payments have been budgeted for by the County. The Board has, by adoption of the County Loan Ordinance, on July 17, 2024, authorized the execution and performance on behalf of the County of the Loan Agreement and the pledge of the County's full faith and credit to the payment of the County's Loan Payment obligations under the Loan Agreement.

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

An Event of Default under the Loan Agreement shall not give rise to an Event of Default under the Indenture.

Market Protection

Subject to the prior approval by the Board of Public Utilities by and through the New Jersey Department of Environmental Protection, the Authority anticipates issuing: (i) its County Guaranteed Solid Waste Revenue Bonds (Landfill Expansion Project – Cells 17 and 18) in the aggregate principal amount of approximately \$22,500,000 (the "Landfill Bonds") in the first quarter of 2025; and (ii) its County Guaranteed Solid Waste Subordinate Project Notes in the aggregate principal amount of approximately \$13,000,000 ("NJIB Interim Notes") to be purchased by the New Jersey Infrastructure Bank ("I-Bank") by and through the I-Bank's Clean Water Construction Loan Financing Program. The Landfill Bonds and the NJIB Interim Notes shall be direct and special obligations of the Authority payable solely from the revenues generated in connection with the ownership and operation by the Authority of its solid waste landfill, and all moneys, securities and funds which are held or set aside pursuant to the terms of: (i) in connection with the Landfill Bonds, the Solid Waste Bond Resolution of the Authority ("Solid Waste Bond Resolution") or which are held in any funds established under the Solid Waste Bond Resolution; and (ii) in connection with the NJIB Interim Notes, a to-be-adopted subordinated note resolution of the Authority ("Subordinated Note Resolution" or which are held in any funds established under the Subordinated Note Resolution. Each of the Landfill Bonds and the NJIB Interim Notes are also expected to be secured by the provisions of a full faith and credit guaranty of the County, pursuant to which the County shall guaranty, when due, the payment of the principal of and interest on such Landfill Bonds and NJIB Interim Notes.

The County does not expect to issue any additional indebtedness for the remainder of 2024, but expects to issue additional indebtedness in 2025 for County capital projects and for County College purposes; provided, however, the details of such borrowings (including timing and principal amount to be borrowed) are unknown at this time.

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THE AUTHORITY

Creation and Powers

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

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

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

Management

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

<u>Name</u>	<u>Office</u>	<u>Expiration of Term</u>
Charles Fentress	Chairperson	February 1, 2025
Paul Medany	Vice Chairperson	February 1, 2028
Paul W. Lenkowski	Secretary/Treasurer	February 1, 2026
Gregory C. Ferretti	Asst. Sec/Treasurer	February 1, 2027
Charles Della Vecchia	Commissioner	February 1, 2029

The Authority's mailing address is 109 Budd Boulevard, Woodbury, NJ 08096.

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LITIGATION

Authority

In the opinion of John A. Alice, Esquire, General Counsel to the Authority, there is no litigation pending or, to the best of its knowledge, threatened which would restrain or enjoin the issuance or sale of the Series 2024 Bonds or in any way contesting the validity or affecting the authority for the issuance of the Series 2024 Bonds, the adoption of the Bond Resolution, or the authorization, execution and delivery by the Authority of the Indenture, Loan Agreement or any other of the financing documents to which the Authority is a party, or the existence or powers of the Authority.

County

In the opinion of the Office of the County Counsel, there is no litigation pending or, to the best knowledge of the Office of the County Counsel, threatened to restrain or enjoin the County from entering into or delivering the Loan Agreement or in any way contesting or affecting the 2024 Project. Also, there is no litigation pending or, to the best knowledge of the Office of the County Counsel, threatened that would have a material and adverse impact on the financial condition of the County, if adversely decided.

TAX MATTERS

ALL POTENTIAL PURCHASERS OF THE SERIES 2024 BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE TAX IMPLICATIONS OF THEIR INVESTMENT.

Federal

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority ("Bond Counsel"), assuming continuing compliance by the Authority and the County with their respective tax covenants in the Indenture, the Loan Agreement, the County Loan Ordinance and the Joint Tax Certificate, as applicable (and as generally described below), under existing law, interest on the Series 2024 Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Series 2024 Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Series 2024 Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering its opinion, Bond Counsel has assumed continuing compliance by (i) the Authority with the covenants contained in the Indenture, in the Loan Agreement and in the Joint Tax Certificate; (ii) the County with the covenants contained in the Loan Agreement, the County Loan Ordinance and in the Joint Tax Certificate; and (iii) to the extent applicable, the Public University and the Authority with its respective covenants under the Public University Leases, that each will comply with the applicable requirements of the Code, including requirements relating to, inter alia, the use and investment of proceeds of the Series 2024 Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code, and the use of the Nursing School Project Facilities and the PA Project Facilities in accordance with the Code. Failure of the Authority, the County or the Public University to comply with its respective covenants could result in the interest on the Series 2024 Bonds being subject to federal income tax retroactive to the date of issue. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the Series 2024 Bonds that may affect the tax-exempt status of the interest on the Series 2024 Bonds.

Ownership of the Series 2024 Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, controlled foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and

(j) of the Code. Interest on the Series 2024 Bonds will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Series 2024 Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by the household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Series 2024 Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Series 2024 Bonds are not "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the Series 2024 Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

New Jersey

Bond Counsel is also of the opinion that interest on the Series 2024 Bonds and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in New Jersey that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value or marketability of the Series 2024 Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, it would apply to obligations issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value or marketability of the Series 2024 Bonds.

PROSPECTIVE PURCHASERS OF THE SERIES 2024 BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY FEDERAL AND STATE INCOME TAX LEGISLATION, WHETHER CURRENTLY PENDING OR PROPOSED, REGULATORY INITIATIVES OR LITIGATION. THE OPINIONS EXPRESSED BY BOND COUNSEL ARE BASED UPON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE SERIES 2024 BONDS AND BOND COUNSEL HAS EXPRESSED NO OPINION AS OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.

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

The Act sets forth the pledge and agreement that the State will not limit or alter the rights vested by the Act in the authorities organized thereunder to fix, establish, charge and collect service charges and to fulfill the terms of any agreements made with holders of obligations of authorities or in any way impair the rights and remedies of such holders, until such obligations, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged.

NEGOTIABILITY OF THE SERIES 2024 BONDS

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

THE SERIES 2024 BONDS NOT A DEBT OF THE STATE

The Series 2024 Bonds shall not in any way be a debt or liability of the State or any political subdivision thereof or create or constitute any indebtedness, liability or obligation of the State or any political subdivision thereof other than the obligation of (a) the Authority, which has no taxing power, the obligation of which is limited to the Pledged Property, and (b) the County to the extent of its Loan Payments under the Loan Agreement, pursuant to both of which the County has pledged its full faith and credit and will be obligated to levy *ad valorem* taxes on all taxable property within the jurisdiction of the County in an amount sufficient to provide for payment as is needed to pay, when due, the principal of and interest on the Series 2024 Bonds.

CONTINUING DISCLOSURE

In accordance with the provisions of Rule 15c2-12, as amended (the "Rule"), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, the County will, prior to the issuance of the Series 2024 Bonds, enter into a Continuing Disclosure Agreement with Acacia Financial Group, Inc. ("Acacia"), as dissemination agent, substantially in the form set forth in Appendix "E" hereto (the "Continuing Disclosure Agreement").

The County has entered into previous undertakings with respect to various other bond issues for which it is an obligated party. During the prior five years, the County filed its 2022 Budget late. The Budget has since been filed and a notice citing the failure has been posted on EMMA. In addition, certain operating data found in the County's Appendix A titled "Business and Industry" will no longer be included and a notice has been filed on EMMA.

The Authority issued certain revenue bonds ("GCIA Bonds") to evidence a loan provided by the New Jersey Infrastructure Bank as well as standalone issuances for which the County provided its guaranty for the payment of principal and interest. In some instances, the County did not timely file a notice on EMMA of its guaranty of a financial obligation in connection with the GCIA Bonds; however, the GCIA Bonds were publicly offered and an offering document can be found on EMMA under the Authority's CUSIPs. The foregoing description of instances of non-compliance by the County with its continuing disclosure obligations should not be construed as an acknowledgment by the County that any such instances were material.

The Authority has entered into previous undertakings with respect to various other bond issues for which it is an obligated party. During the prior five years, the Authority's audited financial statements were not filed timely for the years 2019 through 2023. A failure to file notice has been posted to EMMA. In addition, certain operating data regarding the Solid Waste Complex and Shady Lane Nursing Home has not been filed timely for years ended 2022 and 2023. A failure to file notice has been posted on EMMA. The foregoing description of instances of non-compliance by the Authority with its continuing disclosure obligations should not be construed as an acknowledgment by the Authority that any such instances were material. The Authority has since retained Acacia as dissemination agent to ensure future timely filings.

CERTAIN PROVISIONS OF THE LAWS OF THE STATE OF NEW JERSEY AND THE UNITED STATES RELATING TO GENERAL OBLIGATION DEBT

Local Bond Law

General - The Local Bond Law governs the issuance of bonds and notes by counties and municipalities for the financing of capital improvements. Among its provisions are the following: (i) the power and obligation to pay any and all bonds and notes issued pursuant to the Local Bond Law shall be unlimited; (ii) the county or municipality shall levy *ad valorem* taxes upon all taxable property therein for the payment of the principal of and interest on such bonds and notes without limitation as to rate or amount; (iii) generally, a down payment that is not less than five percent (5%) of the amount of debt obligations authorized must be appropriated in addition to the amount of debt obligations authorized; (iv) all non-special-assessment bonds shall mature within the period of usefulness or average period of usefulness of the improvements being financed; and (v) after issuance, all bonds and notes shall be conclusively presumed to be fully authorized and issued by all of the laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery.

Debt Limits - The authorized bonded indebtedness of the County is limited by statute, subject to the exceptions noted below, to an amount equal to two percent (2.00%) of its equalized valuation basis. The equalized valuation basis of the County is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements as annually determined by the New Jersey State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Bonds, notes and long-term loans are included in the computation of debt for the statutory debt limit. The County, upon the issuance of the Series 2024 Bonds, will not exceed its two percent (2.00%) debt limit.

Exceptions to Debt Limits - Extensions of Credit - The County may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the County may 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 credit of the County or substantially reduce the ability of the County to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval may be granted.

In addition, debt in excess of the statutory limit may be issued by the County to fund certain notes, to provide for purposes in an amount not exceeding two-thirds (2/3) of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

Short-Term Financing - When approved by bond ordinance, the County may issue bond anticipation notes to temporarily finance capital improvements. Such notes may not be issued in an aggregate amount exceeding that specified by the ordinance. The notes may not be issued for periods of more than one year, renewable with the final maturity occurring no later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original note. After the third year, the amount of the notes that may be renewed annually must be decreased by the minimum amount required for the first year's principal payment for the bond issue in anticipation of which the notes are issued.

Bonds - Bonds may be issued pursuant to the Local Bond Law for the purpose of paying, funding outstanding bonds, including emergency appropriations, the actuarial liabilities of a non state administered public employee pension system and amounts owing to others for taxes levied in the local unit, or any renewals or extensions thereof: and for paying the cost of issuance of bonds.

Local Fiscal Affairs Law

The Local Fiscal Affairs Law, Chapter 5 of Title 40A of the New Jersey State Statutes, as amended and supplemented ("Local Fiscal Affairs Law"), governs audits, auditors, public moneys and financial statements of local governmental units, including the County.

Each local unit is required to cause an annual audit of its books, accounts and financial transactions to be made and completed within six months after the close of its fiscal year by either a Registered Municipal Accountant or, by agreement with the Director ("Director") of the Division of Local Government Services ("Division") in the Department of Community Affairs, by qualified employees of the Division.

An independent examination of the County's books, accounts and financial transactions must be performed annually by a Registered Municipal Accountant who is licensed by the New Jersey State Board of Accountancy. The audit, conforming to the Division's "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made. A Summary of Audit, together with recommendations, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2023 is on file with the Clerk of the Board of County Commissioners and is available for review during business hours.

The Local Fiscal Affairs Law also requires that the chief financial officer/treasurer of the local unit file annually with the Director a verified statement of the financial condition of the local unit as of the close of the fiscal year to be made not later than January 26th or later if an extension is granted. The Compiled Financial Statement for the year ended December 31, 2023 is on file with the Clerk of the Board of County Commissioners.

Local Budget Law

The Local Budget Law, Chapter 4 of Title 40A of the State states, as amended and supplemented ("Local Budget Law"), governs the budgeting and appropriation of funds by local governmental units.

The Local Budget Law requires local governmental units to adopt a "cash basis" budget in such form that there will be sufficient cash collected to meet all debt service requirements, necessary operations of the local governmental units for the fiscal year and any mandatory payments required to be met during the fiscal year.

No budget shall be adopted unless the Director shall have previously certified their approval thereof.

Each local governmental unit must include in its budget an appropriation for the payment of debt service. The Director is required to examine such appropriation to determine whether it is properly set forth, in addition to determining whether all estimates of revenue contained in the budget are reasonable, accurate and correctly stated.

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 subject to various exceptions. On August 20, 1990, the Governor signed into law P.L. 1990, c. 89, which revised and made permanent the "Cap Law". Since its inception, the "Cap Law" has been amended and modified several times, most recently on July 13, 2010. While the revised "Cap Law" is more restrictive on the ability of a local unit to increase its overall appropriations, it does not limit the obligation of the County to levy *ad valorem* taxes upon all taxable real property within the County to pay debt service on the Series 2024 Bonds. The Cap Law provides that a local unit shall limit any increase of its budget to 2.5% or the index rate, whichever is less, over the previous year's final appropriations subject to certain exceptions. The "index rate" is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services computed by the United States, Department of Commerce. Among the exceptions to the limitations imposed by the Cap Law are capital expenditures; debt service; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law.

Additionally, legislation constituting P.L. 2010, c. 44, was adopted on July 13, 2010 (S- 29R1), which, among other things, imposes a two percent (2%) cap on the tax levy that municipalities, counties, fire districts and solid waste collection districts may impose, with very limited exceptions and subject to certain adjustments.

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

In response to the outbreak of the Coronavirus (as defined and described under the heading "RECENT HEALTHCARE DEVELOPMENTS" below), the New Jersey Legislature enacted P.L. 2020, c. 74 (A3971), under which a local unit may adopt an emergency appropriation to fund certain deficits and expenditures resulting from Coronavirus with approval of the Director and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten (10) years. Such emergency appropriation must be approved by 2/3 vote of the governing body of the local unit and be accompanied by a certification of the Chief Financial Officer stating that the resolution covers deficits and expenses incurred during the emergency response to the Coronavirus. Moreover, to the extent that such Coronavirus-related emergency appropriations exceed the cost of providing similar services under non-emergency conditions, the deferred charge to be raised in the following year's budget is an eligible exception to both the levy cap and the appropriations cap. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to Coronavirus. The County has made no appropriations for Coronavirus related deficits or expenditures in the 2024 budget.

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 County's Loan Payment obligations under the Loan Agreement to secure the repayment of the Series 2024 Bonds.

Miscellaneous Revenues

N.J.S.A. 40A:4-26 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." Such determination may be made by the governing body and the chief financial officer in any year during which the local unit is subject to local examination.

No budget or amendment shall be adopted unless the Director has previously certified the approval of such anticipated revenues.

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 a municipal tax levy required to balance the municipal budget so that when the percentage of the prior year's tax collection for such municipality is applied to the combined total, the product will be at least equal to the tax levy required to balance the municipal budget.

Deferral of Current Expenses

Emergency appropriations (i.e., those made after the adoption of the budget and determination of the tax rate for an unforeseen event or purpose) may be authorized by the governing body of the local governmental units. With minor exceptions, however, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the adopted operating budget consent of the Director of Local Government Services must be obtained.

The exceptions are certain enumerated projects to cover the cost of the extraordinary expense for the repair, or reconstruction of streets, roads or bridges, or other public property damaged by snow, ice, frost or flood, where such expense was not foreseen at the time of the adoption of the budget, which may be amortized over three years; and tax map preparations, revision of ordinances, revaluations, master plan preparation, studies and planning necessary for the installation and construction of a sanitary sewer system, and payments of accumulated sick and vacation time which may be amortized over five years.

Budget Transfers

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 subaccounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

Capital Budget

In accordance with the Local Budget Law, each local unit shall prepare and 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 must also adopt a three (3) year capital program unless the local unit's population exceeds 10,000 where a six (6) year capital program is required.

Related Constitutional and Statutory Provisions

In the general election of January 2, 1976, as amended by the general election of January 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 income 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 (3/5) of all of the members of each house of the State Legislature and approval by a majority vote in a statewide referendum; or (ii) approval in two successive legislative years by a majority of all of 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 disaffirmance.

Rights and Remedies of Owners of Bonds

The State Municipal Finance Commission Act, Chapter 27 of Title 52 of the State Statutes, as amended and supplemented (the "SMFC Act"), provides that when it has been established, by court proceedings, that a local unit has defaulted for over sixty days in the payment of the principal of or interest on any of its outstanding bonds or notes, the Local Finance Board of the State Department of Community Affairs (which, pursuant to the SMFC Act, is constituted the Municipal Finance Commission and shall hereinafter be referred to as the "Commission") shall take control of the focal affairs of the defaulting local unit.

The SMFC Act provides that the Commission shall remain in control of the local unit until all bonds or notes of the local unit that have fallen due and all bonds or notes that will fall due within one year, and the interest thereon, have been paid, funded or refunded, or the payment thereof in cash shall have been adequately provided for by a cash reserve.

The SMFC Act empowers the Commission to direct the local unit to provide for the funding or refunding of notes or bonds of the local unit and the interest thereon, which the Commission shall have found to be outstanding and unpaid and to be due or become due. The SMFC Act further authorizes the Commission to bring and maintain an appropriate proceeding for the assessment, levy or collection of taxes by the local unit for the payment of principal or of interest on such indebtedness.

Under Article 6 of the SMFC Act, while the Commission functions in the local unit, no judgment, levy, or execution against the local unit or its property for the recovery of the amount due on any bonds, notes or other obligations of the local unit in the payment of which it has defaulted, shall be enforced unless otherwise directed by Court Order. However, Article 6 of the SMFC Act also provides that upon application of any creditor made upon notice to the local unit and the Commission, a court may vacate, modify or restrict any such statutory stay contained therein.

Limitation of Remedies Under Federal Bankruptcy Code

The undertakings of the Authority and the County should be considered with reference to Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code"), 11 U.S.C. §§901 to 946. Under Chapter 9 of the Bankruptcy Code, a municipality, which is a political subdivision or public agency or instrumentality of the State, that is insolvent or unable to meet its debts may file a petition in a United States Bankruptcy Court (the "Bankruptcy Court") to adjust the debt of the municipality. Chapter 9 of the Bankruptcy Code does not permit the municipality to liquidate its assets and distribute the proceeds of its assets to its creditors. Chapter 9 of the Bankruptcy Code permits a financially distressed municipality to seek protection from its creditors by staying the commencement or continuation of certain actions against the municipality while it formulates and negotiates a plan of adjustment of its debts which can be binding on a dissenting minority of creditors if it is acceptable to the majority of creditors. Should the Authority or the County file a petition in the Bankruptcy Court under Chapter 9 of the Bankruptcy Code prior to the payment in full of the principal of and interest on the Series 2024 Bonds or the payment of the County's Loan Payment obligations under the Loan Agreement, the holders of the Series 2024 Bonds would be considered creditors and would be bound by the County's plan of adjustment of its debt.

Reference should also be made to *N.J.S.A. 52:27-40 et seq.* which provides that any "political subdivision" of the State as defined therein, which includes the Authority and the County, has the power to file a petition with the Bankruptcy Court under Chapter 9 of the Bankruptcy Code provided the "political subdivision" has obtained approval of the Local Finance Board. Section 903 of the Bankruptcy Code, 11 U.S.C. §903, specially provides that Chapter 9 of the Bankruptcy Code does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality; provided, however, that a state law prescribing a method of composition of indebtedness of the municipality may not bind any creditor that does not consent to such composition and that a judgment entered under such state law may not bind a creditor that does not consent to such composition.

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE AUTHORITY OR THE COUNTY EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCES OF PAYMENT OF AND SECURITY FOR THE SERIES 2024 BONDS.

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.

CERTAIN RISK FACTORS

Recent Healthcare Developments

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus ("Coronavirus" or "COVID-19"). A national emergency was declared by the President of the United States ("President") (which has since been terminated), to provide federal intervention for the mitigation of the Coronavirus as a public health emergency and to unlock federal funds and assistance to help states and local governments manage the pandemic. On March 9, 2020, the Governor of the State of New Jersey ("Governor") issued Executive Order 103, pursuant to which the Governor declared a State of Emergency and a Public Health Emergency, thereby allowing State agencies and departments to utilize State resources to assist affected communities in response to the COVID-19 outbreak.

The federal Public Health Emergency was terminated on May 11, 2023 and the Public Health Emergency for the State was terminated in March of 2022, but the State of Emergency for the State remains in effect as of the date hereof. The other Governor's Executive Orders (some of which have since been modified or rescinded) limited various activities and undertook measures in an attempt to slow the spread of COVID-19 throughout the State. These measures, which impacted the behavior of businesses and individuals, have had and may continue to have impacts on regional, state, and local economies. See <https://covid19.nj.gov> for further detail regarding the impact of COVID-19 on the State and the Governor's various Executive Orders.

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 the President on March 12, 2021, and provided \$1.9 trillion in financial assistance to businesses, individuals and governmental entities. The Plan included different forms of financial relief, including a direct stimulus payment to certain 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 provided funding for state and local governments to recoup and offset costs related to COVID-19 and to encourage and reestablish economic development and certain infrastructure improvements.

Pursuant to the funding methodology under the Plan, the County received \$56,646,874 in funding ("Plan Funds"). The deadline to obligate the Plan Funds is December 31, 2024 and to spend funds is December 31, 2026. Such funds were received in two (2) equal payments; one (1) received within 60 days of enactment of the Plan, and the balance was 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 who 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.

While the effects of COVID-19 have abated significantly in the State, the Authority and the County cannot predict, and do not predict, whether or if the Coronavirus or any similar public health emergencies may reemerge or emerge, as the case may be, in the future and, if such reemergence or emergence occurs, what the effects thereof may have upon global, State-wide and local economies and operations, including that of the County.

Climate

The State 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 as well as resulting in economic impacts such as loss of *ad valorem* tax revenue, interruption of municipal services, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the County.

Cybersecurity

The Authority and the County each rely on a complex technological environment to conduct their respective operations. As a result, the Authority and the County face certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on their computing and digital networks and systems. To mitigate the risks of business

operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Authority and the County have each invested in multiple forms of cybersecurity and operational safeguards.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization and the issuance by the Authority of the Series 2024 Bonds are subject to the approval of certain legal matters by Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed on for the Authority by its counsel, John A. Alice, Esquire, Woodbury, New Jersey, for the County by the Office of the County Counsel of the County, and for the Underwriters by Stradley Ronon Stevens & Young, LLP, Malvern, Pennsylvania.

The various legal opinions and/or certifications to be delivered concurrently with the delivery of the Series 2024 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion and/or certification, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction. Nor does the rendering of an opinion and/or certification guarantee the outcome of any legal dispute that may arise out of the transaction.

LEGALITY FOR INVESTMENT

The Act provides that: (i) the State and all public officers, municipalities, counties, political subdivisions and public bodies and agencies thereof; (ii) all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking or investment business; (iii) all insurance companies, insurance associations, and other persons carrying on an insurance business; and (iv) all executors, administrators, guardians, trustees and other fiduciaries in the State may legally invest any sinking funds, moneys or other funds belonging to them or within their control in the obligations of authorities organized thereunder, including the Series 2024 Bonds, and that such obligations are authorized security for any and all public deposits.

RATING

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa1" to the Series 2024 Bonds based upon the credit of the County. Explanations of the significance of such bond rating may be obtained from Moody's, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Such bond rating express only the views of the respective Rating Agency. There is no assurance that any such bond rating will continue for any period of time or that the rating will not be revised or withdrawn. Any such revision or withdrawal of the rating may have an effect on the marketability and market price of the Series 2024 Bonds.

INDEPENDENT AUDITORS

The Audited Financial Statements of the County as of December 31, 2023 and 2022 and for the years then ended are included in Appendix "B" to this Official Statement, have been audited by Bowman & Company LLP, Woodbury and Voorhees, New Jersey, independent certified public accountants, as stated in its report appearing in Appendix "B" to this Official Statement.

UNDERWRITING

Raymond James & Associates, Inc., on behalf of itself and the other underwriters shown on the front cover page hereof (collectively, the "Underwriters"), is expected to enter into a bond purchase agreement (the "Bond Purchase Contract") with the Commission pursuant to which the Underwriters will agree, subject to certain customary conditions precedent to closing, to purchase the Series 2024 Bonds at a purchase price equal to \$[] (representing the principal amount of the Series 2024 Bonds, [plus/less] original issue [premium/discount] in the amount of \$[], and less an Underwriters' discount in the amount of \$[]). The Underwriters are obligated to purchase all of the Series 2024 Bonds if any of the Series 2024 Bonds are purchased. The obligation of the Underwriters to accept delivery of the Series 2024 Bonds is subject to various conditions contained in the Bond Purchase Contract.

The Underwriters intend to offer the Series 2024 Bonds to the public initially at the offering yields set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2024 Bonds to the public. The Underwriters may offer and sell the Series 2024 Bonds to certain dealers (including dealers depositing Series 2024 Bonds into investment trusts) at yields higher than the respective public offering yields set forth on the inside front cover page hereof, and such offering yields may be changed, from time to time, by the Underwriters without prior notice.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary

course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Authority and/or County. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Authority and/or County.

MUNICIPAL ADVISOR

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

APPENDICES

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

Appendix "B" to this Official Statement consists of the Audited Financial Statements of the County, which has been provided by the County from public documents of the County and from other public or official documents or publications which are referred to therein. The Authority has not confirmed the accuracy or completeness of said information, and the Authority disclaims any responsibility for the accuracy or completeness thereof.

Appendix "C" to this Official Statement consists of the Form of the Indenture and the Form of the Loan Agreement.

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

Appendix "E" to this Official Statement consists of the Form of the Continuing Disclosure Agreement for the County.

MISCELLANEOUS

The execution and delivery of this Official Statement has been duly authorized by the Authority. Concurrently with the delivery of the Series 2024 Bonds, the Authority will furnish a certificate to the effect that nothing has come to the Authority's attention that would lead the Authority to believe that this Official Statement, in final form, contains any untrue statement of a material fact or omits to state any information necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. Certain information contained in this Official Statement has been obtained from sources other than the Authority. All quotations from and summaries and explanations of provisions of laws, statutes, resolutions and agreements herein do not purport to be complete and reference should be made to said laws, statutes, resolutions and agreements for a full and complete statement of their provisions.

This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or holders of any of the Series 2024 Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County or the Authority since the date hereof.

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

**THE GLOUCESTER COUNTY IMPROVEMENT
AUTHORITY**

By: _____
CHARLES FENTRESS
Chairperson

Dated: [September __, 2024]

APPENDIX A
Certain Information Concerning the County

GENERAL INFORMATION CONCERNING THE COUNTY OF GLOUCESTER

Introduction

The County of Gloucester, New Jersey ("County") operates under the Commissioners form of County government in which a seven-member Board of County Commissioners ("Board") is elected for staggered three-year terms. A County Administrator is appointed by the Board to be responsible for daily operations of the County government. The Board operates through a committee system and is required to perform both executive and legislative responsibilities in: (i) formulating County policies; (ii) developing new County programs; (iii) appointing members of the various commissions and boards; and (iv) approving the operating and capital budgets and appropriating the funds that are received from the 24 municipalities of the County to maintain all County services.

Location and Profile

The County is located between Camden and Salem Counties, with its western shore lying along the Delaware River, south of the City of Philadelphia. The County covers an area of 329 square miles. Within a few miles of the Delaware River, there is a concentration of both industry and people. Extensive farmlands in the eastern portion of the County make the County one of the State's leading agricultural counties. The County is also a home site for thousands of commuters to the Philadelphia metropolitan area.

Transportation and Manufacturing

The County is served by a modern high-speed road network and comprehensive rail and air routes. The New Jersey Turnpike and Interstate 295 provide access to and from the County and its industry. Both the New Jersey Turnpike and Interstate 295 parallel the Delaware River and provide north-south access to the County. The Atlantic City Expressway and Route 42 provide east-west access to the County. The County is also traversed by U.S. Routes 130 and 322 and State Routes 41, 44, 45, 47, 55 and 77. A bypass to U.S. Route 322 north of Mullica Hill was completed in 2012 to relieve congestion through the town. There are also 404 miles of County roads that provide access to and from the County.

Air transportation is facilitated by the Philadelphia International Airport, Atlantic City International Airport, the Northeast Philadelphia Airport, and two (2) commercially licensed airports in the County.

The Delaware River continues to serve the County's industry needs with direct access to the Atlantic Ocean and Philadelphia Ports such as the South Jersey Port Corporation, the Port of Philadelphia, the Delaware River Port Authority and the Port of Wilmington.

Freight rail service is provided by CSX and Norfolk Southern Transportation Corporation. The Glassboro-Camden Line (GCL) is a proposed 18-mile passenger rail line between Glassboro and Camden in Southern New Jersey. NJ TRANSIT is funding the \$8.1 million environmental study with DRPA acting as project manager. The GCL corridor traverses Gloucester and Camden counties including the communities of Glassboro, Pitman, Sewell, Mantua, Deptford, Wenonah, Woodbury Heights, Woodbury, Westville, Brooklawn, Gloucester City and Camden.

The South Jersey Port Corporation ("SJPC") and the Gloucester County Improvement Authority has developed a new state-of-the-art marine terminal in the Borough of Paulsboro, with Holt Logistics Corp ("Holt"), with which a partnership was entered into in July 2014 for its construction. Located on the banks of the Delaware River, the facility, a redevelopment of the terminal, is the first new multi-purpose marine terminal on the Delaware River in over 30 years. The Paulsboro Marine Terminal is a 200-acre development with a 40-foot-deep water berth and 21,000 feet of rail track which opened March 2, 2017. The terminal provides over 300 jobs.

In early 2023, Gloucester County finished construction of a \$375 million facility to manufacture monopile components for the entire U.S. wind industry at the Port of Paulsboro, N.J. This project is America's Largest Offshore Wind Manufacturing Hub at this time. Ocean Wind, a joint venture between Ørsted and PSEG, and steel pipe manufacturer EEW, started construction in early 2021 for the EEW monopile manufacturing facility at the Port of Paulsboro Marine Terminal. The completion of this project marks a significant milestone in delivering the largest industrial offshore wind manufacturing facility in the U.S. to date. This facility was built under a Project Labor Agreement (PLA) with the South Jersey Building Trades Council. Ocean Wind is an 1,110 MW offshore wind project by Ørsted and PSEG that will provide enough clean energy to power 500,000 New Jersey homes. Creating more than 500 skilled jobs at build-out in 2023. There was also construction of two large buildings that will support circumferential welding, sandblasting, and painting. EEW has contracted with more than 30 New Jersey companies in support of design, permitting, site work, and concrete creating the beginnings of the South Jersey Offshore Wind Industry supply chain that will continue to grow in our region.

Health Care

Two (2) hospitals provide health care in the County. The first, Jefferson Health System's Washington Township Campus, is located in Washington Township, formerly known as Kennedy Hospital. The second, Inspira Medical Center, is located in Mullica Hill (Harrison Township), and contains 210 licensed beds. Inspira Medical Center has also recently undergone an expansion to better serve the health care needs of the County, including an expanded/renovated emergency room/center, plans to build a surgical center and the establishment of several additional family practice centers throughout the County. Inspira Medical Center has over 1,825 full and part time employees and a medical and dental staff of 400.

Also located within the County are 24 specialized care facilities. The 24 facilities include nine (9) assisted living facilities, seven (7) residential health care facilities, and eight (8) long-term care facilities.

Atrium Health, located in the City of Woodbury holds a total of 244 beds. This facility created about 400-500 new employment opportunities for the County. On site amenities for the facility include aquatic therapy pool, salon/massage parlor, handicap accessible theater, a physical/occupational and speech therapy office.

The Nemours-duPont Pediatric Center opened a location in the Township of Deptford which has created 60 professional healthcare jobs and employs 120 individuals to staff the facility.

Recreation and Open Space

One of the County's most notable assets is the opportunity it provides to rediscover nature. With its parks, camp grounds, lakes and streams, the County provides an excellent opportunity for all of its residents to enjoy the natural environment. Six (6) golf courses and four (4) boat launches are located in the County to provide other forms of recreation.

The County has worked to actively expand both the municipal and County Park systems. Through the County's Open Space Preservation Program, new parks were created for the township of East Greenwich, Greenwich, Glassboro, Monroe and Woodbury. Municipal expansion of existing parks has been completed in Mantua Township, Washington Township and Woodbury Heights Borough. Acquisitions are currently underway in Woolwich Township, Harrison Township, West Deptford Township, Mantua Township and Glassboro Borough. The County has also completed seven (7) expansions of the County Park system and has completed a bike path project.

In June of 2008, the Delaware River Equestrian, Agriculture and Marine Park ("DREAM Park") opened in Logan Township. The 74-acre equestrian complex features a 150 x 300-foot temperature controlled indoor arena with bleacher seating for 600 spectators, a separate area for auctions and exhibits, two barns that can accommodate 238 horses, five (5) outdoor rings and a concession area. In addition to being a premier equestrian facility, DREAM Park has been used for canine agility trials and various regional events.

The County has secured numerous land additions to the county parks system and has assisted with additions to municipal open spaces that includes land in Deptford Township, East Greenwich Township, Glassboro Borough, Greenwich Township, Harrison Township, Logan Township, Mantua Township, Monroe Township, Swedesboro Borough, Washington Township, West Deptford Township, Woodbury City, Woodbury Heights Borough and Woolwich Township. A bike path project has also been completed that encompasses land in a number of municipalities. As of this date the County has participated in the acquisition of more than 3,477.5 acres of open space.

Farming

For more than a decade the County has overseen one of the most aggressive farmland preservation programs in the State. Since its inception the County has permanently preserved 19,187 acres of farmland, encompassing more than 200 individual farms in fourteen (14) different municipalities.

EDUCATION

Rowan College of South Jersey

Rowan College of South Jersey (the "College"), formerly known as Rowan College at Gloucester County and Gloucester County College, is a public community college with two campuses, one in Sewell and one in Vineland. The College was established in 1966 as Gloucester County College. In 2014 the College changed its name to Rowan College of Gloucester County when Rowan University and Gloucester County College entered into a partnership. The College then expanded in 2019, combining Rowan College at Gloucester County and Cumberland County College to become Rowan College of South Jersey. The College now offers conditional dual enrollment with Rowan University depending on GPA. While Gloucester County College took the Rowan name, the community college maintains its independence with its own Board of Trustees and administration.

Total enrollment for the fall 2023¹ semester was 5,615 students. In addition, the College's Division of Career and Technical Education provides various educational, career training and personal enrichment courses, as well as outreach programs, to community residents.

The College offers more than 120 academic programs in a full spectrum of career fields. The College also maintains a well-rounded cultural, artistic and sports calendar of events.

A number of selective admission programs related to the allied-health field, including nursing, diagnostic medical sonography (DMS) and nuclear medicine technology (NMT) are available at the College.

The College awards both certificate and associate degrees leading to immediate career and transfer opportunities. With an extensive record of matriculation agreements with four-year colleges and universities, graduates are able to transfer seamlessly into baccalaureate and master degree programs. The College added an automatic-dual acceptance initiative with five (5) four-year universities which makes

¹ Represents the latest data available. (Unaudited)

The College constructed a 27,390 square-foot Health Science Center with classes beginning in September of 2023.

Located on 250 acres in Deptford Township, New Jersey, the College's main campus also houses the Career and Technical Education Center that will provide wind turbine technician training for employers in the off-shore wind industry.

In 2021, projects completed include a one-story economic development center to house the New Jersey Department of Labor and Workforce Development, the Gloucester County Chamber of Commerce and the Gloucester County Economic Development Department. In addition, a two story, 56,000 square-foot medical and academic building for Rowan School of Osteopathic Medicine.

Rowan University

Today, Rowan is a selective, medium-sized national public research university located primarily in Glassboro, New Jersey. It is recognized for its nationally ranked academic and athletic programs, talented professors, and high-tech facilities. Rowan prides itself on being able to provide its nearly 23,000 students an outstanding education at an exceptional value.

The University's approved degree programs as of June 30, 2023, include 98 bachelor's degrees, 58 master's degrees, 16 doctoral degrees (Ed.D. and Ph.D.) and two professional degrees, a Doctor of Medicine (M.D.) and a Doctor of Osteopathic Medicine (D.O.). A Doctor of Veterinary Medicine degree has also been approved and the University plans to admit its first class of students in Fall 2025.

Rowan is continually recognized for excellence by top organizations including *U.S. News & World Report*, *Forbes*, the *Chronicle of Higher Education* and the website *College Factual*.

For 2023, *U.S. News & World Report* ranked Rowan #163 among national research universities and #88 among public research universities. Rowan was also recognized in the following categories:

- Best Value Schools – National Universities, #104
- Best Colleges for Veterans – National Universities, #113
- Social Mobility – National Universities, #91

The Chronicle of Higher Education recognized Rowan as the nation's 4th fastest-growing research university in the U.S. in August of 2023.

The University's main campus, on approximately 200 acres in the southern New Jersey town of Glassboro, is about 20 minutes southeast of Philadelphia and about one hour west of Atlantic City. It is approximately two hours from New York City and just a two-and-a-half-hour drive to Washington, D.C. The locale provides students all of the advantages of a suburban campus plus opportunities for entertainment, cultural events, and professional opportunities in major east coast metropolises and the nation's capital.

The University has a campus in Camden. In addition to the Camden campus, the University also has two medical schools: CMSRU located in Camden and Rowan-Virtua SOM with campuses in Stratford, and Sewell, New Jersey. Rowan Medicine, as defined herein, also has practice sites in the New Jersey counties of Atlantic, Burlington, Camden, Cumberland and Gloucester.

Rowan acquired approximately 600 acres of open space in Glassboro and neighboring Harrison and Mantua Townships, some of which is home to the South Jersey Technology Park at Rowan University. A portion of the land on that parcel informally referred to as the “West Campus” was developed into athletic fields. In May of 2016, Rowan sold 100 acres of West Campus land in Harrison Township to Inspira Health Network of New Jersey (“Inspira”). Inspira broke ground in May 2017 on its new \$349 million, 467,000 square foot, 204-bed medical center which opened in December 2019. It currently employs 1,400 workers and provides Rowan with a wide range of educational opportunities. It also will act as an anchor that is expected to attract health-care providers, researchers, and businesses to the area. The Rowan University Shreiber School of Veterinary Medicine (“Shreiber SVM”) building will also be located on the West Campus. Designed as a multipurpose learning environment, the envisioned 167,000 square foot complex will include a veterinary hospital, academic building, and research space housing the School of Translational Biomedical Sciences.



Campus Facilities

Construction of Discovery Hall, an approximately 68,000 square foot building which includes additional laboratories, classrooms and permanent space for the staff and faculty of the School of Earth and Environment and the College of Science & Mathematics, was completed in September 2021.

The Chamberlain Student Center (CSC) is a 132,245 square foot building that provides a safe, welcoming and inclusive environment for all members of the Rowan University community. The CSC is currently undergoing an expansion with the construction of a new addition. The new addition is an opportunity to enrich the social and intellectual experiences on campus by providing space to facilitate collaborative working, student work and flexible social space so students can see and be seen. The new addition includes a student and class demonstration area where students can present and demonstrate their work in an open common space for other students. The 2-story 38,500 square foot addition to the CSC is under construction and is expected to be completed in Fall 2024.

The Jean & Ric Edelman Fossil Park (“Fossil Park”), a 44,000 square foot museum and dig site in Mantua New Jersey is currently under construction which will provide researchers with the best window, east of the Mississippi, into the Cretaceous Period – the heyday of the dinosaurs. The Fossil Park is five miles from Main Campus and will be part of the University’s School of Earth & Environment. With access to the Fossil Park, Rowan students will have an unprecedented opportunity to perform and observe research pertaining to the period of extinction of the dinosaurs. It is anticipated that each week in the Fall and

Spring, elementary and middle school-aged students from the region will visit the Fossil Park to explore how fossils form and participate in a dig for 65-million-year-old fossils. Each visit to the Fossil Park will be tailored to meet the expectations of the class and to support curriculum standards. The Fossil Park is expected to be complete and open to visitors in Fall 2024.

The new Rowan Medical Center in Sewell is located on the Gloucester County campus of RCSJ. The 56,540 square foot, two-story building houses four outpatient medical clinics, a physical therapy suite, and cafeteria, office for the Dean and space for 100 students. This new building, completed in 2021, is also the home for the Rowan Integrated Special Needs (“RISN”) Center.

Rowan Medicine Building – Cumberland was completed in the Spring of 2024. The new nearly 15,000 square foot medical facility will be dedicated to the health and psychological well-being of children and families in Cumberland County and the surrounding region. The facility will house the NeuroMusculoskeletal Institute (“NMI”), the Child Abuse Research Education and Service (“CARES”) Institute and the RISN Center Clinical Practices.

Gloucester County Institute of Technology

The Gloucester County Institute of Technology ("Institute") provides a full range of regionalized occupational and technical County-wide educational services and programs appropriate to the needs of the students of 13 public high schools, and adults who seek educational opportunities that lead to employment or higher education. The Institute also provides programming for secondary students who wish to continue to higher education through Tech Prep matriculation agreements with various county colleges and four-year institutions.

As of March 27, 2024, there are approximately 1,700 students enrolled in the Institutes’ Academy and Career-Technical programs. Recent construction has added, among other things, a cafeteria, gymnasium and classrooms to the academic facilities in order to keep pace with demand.

In addition to its day school enrollment, the Institute serves an average of 1,000 residents in various programs, including: (i) adult and continuing education programs; (ii) County employees in customized training programs; (iii) adults in the skill center; (iv) over 455 at-risk youth and their families in school-based youth services counseling; (v) the U.S. swim team of 200 members; and (vi) the joint auto technology program with Rowan College serving 40 adult students in an AAS degree program.

Schools for Neurodiversity at Gloucester County Special Services School District

The School for Neurodiversity provides a wide range of educational services to the families of the County. The School for Neurodiversity serves children with special needs from birth to age 21. The enrollment for the 28-acre Bankbridge complex in Deptford, as of March 27, 2024, was 552 special needs students.

Bankbridge Regional opened its doors in September 2000 and serves secondary level students who have special needs. In September 2002, The School for Neurodiversity opened Bankbridge Elementary School. The elementary school is located next to Bankbridge Regional and serves special needs students from pre-kindergarten to grade five (5).

The Bankbridge Development Center ("BDC") opened in 2007. With an emphasis on developing skills in the areas of communication, socialization, and independence, the BDC strives toward helping students become participating and contributing members of their community. Education, advocacy, public awareness efforts, and the promotion of research form the cornerstones of the activities. Together, they can promote lifelong access and opportunity for all individuals within the autism spectrum and/or multiply disabled.

BDC student outcome goals include, but are not limited to:

- The development of a functional communication system in order to increase interaction and enhance adaptive behaviors.
- Effectively providing functional, skill-based instruction to develop each student's social, behavioral and academic abilities.
- Providing students with the skills necessary to become contributing and functional members of society.

The staff at BDC is dedicated to educating and supporting the special needs students who attend BDC. Each classroom and specialty area has been carefully designed to provide an encouraging but challenging learning environment to help the children reach their maximum potential. The programs are tailored to meet the specific needs of each child. The philosophy, goals, and objectives of the BDC reflect the diversity of the children they serve. Programs are designed to meet their educational, social, and emotional needs.

In addition to the schools, the School for Neurodiversity provides the following services to support the special needs children of the County: (i) the Early Intervention Program for children from birth to age 3 and their families; and (ii) the Center for Regional Education Support Services (CRESS) which provides professional services to the school districts in the County and the County of Camden.

The School for Neurodiversity also provides support to nonpublic students through their schools including remedial programs, speech-language therapy and textbook purchasing. The School for Neurodiversity's Special Projects Program provides Migrant Services to more than 3,000 students and families throughout the southern region of New Jersey.

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POPULATION

The population of the County has grown at a rate greater than the population growth of the State. The pattern of growth during the last four decades reflects the shift of population to suburban areas assimilating the trend both nationwide and statewide. The following table shows U.S. Census Bureau population data for the twenty-four municipalities in the County and for the State:

<u>MUNICIPALITY</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>
Clayton Borough	6,013	6,155	7,139	8,179	8,807
Deptford Township	23,473	24,137	26,763	30,561	31,977
East Greenwich Township	4,144	5,258	5,430	9,555	11,706
Elk Township	3,187	3,806	3,514	4,216	4,424
Franklin Township	12,938	14,482	15,466	16,820	16,380
Glassboro Borough	14,574	15,614	19,068	18,579	23,149
Greenwich Township	5,404	5,102	4,879	4,899	4,917
Harrison Township	3,585	4,715	8,788	12,417	13,641
Logan Township	3,078	5,147	6,032	6,042	6,000
Mantua Township	9,193	10,074	14,217	15,217	15,235
Monroe Township	21,639	26,703	28,967	36,129	37,117
National Park Borough	3,552	3,413	3,205	3,036	3,026
Newfield Borough	1,563	1,592	1,616	1,553	1,774
Paulsboro Borough	6,944	6,577	6,160	6,097	6,196
Pitman Borough	9,744	9,365	9,331	9,011	8,780
South Harrison Township	1,486	1,919	2,417	3,126	3,395
Swedesboro Borough	2,031	2,024	2,055	2,584	2,711
Washington Township	27,878	41,960	47,114	48,559	48,677
Wenonah Borough	2,303	2,331	2,317	2,278	2,283
West Deptford Township	18,002	19,380	19,368	21,677	22,197
Westville Borough	4,786	4,573	4,500	4,288	4,264
Woodbury City	10,453	10,904	10,307	10,174	9,963
Woodbury Heights Borough	3,460	3,392	2,988	3,055	3,098
Woolwich Township	<u>1,129</u>	<u>1,459</u>	<u>3,032</u>	<u>10,200</u>	<u>12,577</u>
GLOUCESTER COUNTY	200,559	230,082	254,673	288,288	302,294
STATE OF NEW JERSEY	7,380,000	7,730,000	8,414,350	8,791,894	9,288,994

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EMPLOYMENT AND UNEMPLOYMENT COMPARISONS

For the past ten years, the New Jersey Department of Labor reported the following annual average employment information for the County and the State.

<u>County</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployment</u>	<u>Unemployment Rate</u>
2023	161,341	155,427	5,914	3.7%
2022	160,867	155,275	5,600	3.5
2021	158,300	148,800	9,500	6.0
2020 ¹	149,600	139,200	10,500	7.0
2019	149,700	144,200	5,500	3.7
2018	151,800	146,200	5,600	3.7
2017	151,600	144,400	7,200	4.7
2016	150,100	142,500	7,600	5.1
2015	149,700	140,800	8,900	5.9
2014	148,800	138,300	10,600	7.1

<u>State</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployment</u>	<u>Unemployment Rate</u>
2023	4,739,800	4,564,100	175,700	3.7%
2022	4,676,875	4,507,725	169,158	3.6
2021	4,661,100	4,365,400	295,700	6.3
2020 ¹	4,444,500	4,114,800	329,800	7.4
2019	4,547,100	4,382,900	164,200	3.6
2018	4,500,500	4,337,800	162,700	3.6
2017	4,518,800	4,309,700	209,100	4.6
2016	4,524,300	4,299,900	224,300	5.0
2015	4,543,800	4,288,800	255,000	5.6
2014	4,518,700	4,218,400	300,300	6.6

(1) The Department of Labor website. As a result of the COVID-19 Pandemic unemployment rates were elevated.

Major Employers¹

The 10 largest employers in the County are shown below, as of 2023:

<u>Employer</u>	<u>Number of Employees</u>	<u>Type of Business</u>	<u>Location</u>
Rowan University	3,500	Education	Glassboro
Inspira Medical Center	1,222	Healthcare	Woodbury
Walmart Supercenter	800	Retail	Turnersville
Jefferson Health	670	Healthcare	Washington Twp.
Aryzta LA Brea Bakery Inc.	500	International Bakery	Logan Twp.
Keller Williams Realty	500	Real Estate Company	Sewell
Honda of Turnersville	499	Car Dealership	Turnersville
Paulsboro Refinery LLC Ap	402	Oil Refinery	Paulsboro
Washington Township HS	400	Education	Washington Twp.
Johnson Matthey Inc.	379	Specialty Chemicals	West Deptford

¹County Website

County Labor Relations

The County employs approximately 1,238 employees, including 106 part-time personnel. Approximately 80% of the County's work force is represented by the collective bargaining units listed below:

<u>Union</u>	<u>Employees in Union</u>	<u>Job Titles Covered</u>
Communication Workers of America (CWA) Local 1085	634	Supervisory and Non-Supervisory Personnel
CWA Social Services Local 1085	115	Supervisory & Rank-and-File Social Services
Fraternal Order of Police (FOP Local #97)	22	Corrections Officers
Sheriffs Officers Association (PBA Local #122)	80	Sheriff Officers: Sergeants
Fraternal Order of Police (FOP Local 165)	4	Sheriff; Lieutenants; Captain; Corrections Lieutenants
Police Benevolent Association (PBA Local #122)	34	Prosecutor's Office; Investigators; Detectives and Superior Officers Assistant
Assistant Prosecutor's Association	26	Prosecutors
FOP Lodge # 199	6	Corrections Sergeants Social
Teamsters	5	Services Managers

RETIREMENT SYSTEMS AND PENSION FUND

Substantially all eligible employees of the County are covered by either the Public Employees' Retirement System or Police or Firemen's Retirement System, a cost-sharing, multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the retirement systems. The reports may be obtained by writing to the

Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Division of Pensions and Benefits within the Treasury Department of the State ("Division") is the administrator of the funds with benefit and contribution levels set by the State. The County currently has no unfunded past pension liability.

Public Employees' Retirement System

The Public Employees' Retirement System includes approximately 805 non-uniformed County employees. The system is evaluated every year and the County's contribution is determined on an actuarial basis by the Division. Employee rates of contribution are 7.5%. The County's contribution paid by April 1, 2024 was \$11,850,364 equal to the County's required contribution for such year.

Police and Firemen's Retirement System

Approximately 138 County employees are covered under the Police and Firemen's Retirement System. The State's requirement for the County's contribution is determined on an actuarial basis by the Division. Employee rates of contribution are 10%. The County's contribution paid by April 1, 2024 was \$5,175,032, equal to the County's required contribution for such year.

Funding Policy

The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115 P.L. of 1997 and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS contribution rate increased to 6.5% of base salary effective with the first payroll, to be paid on or after October 1, 2011. Subsequent increases will then be phased in over 7 years (each July 1st) to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. The PFRS contribution rate increased to 10% of base salary effective with the first payroll to be paid on or after October 1, 2011. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

Defined Contribution Retirement Program (DCRP)

The County established Defined Contribution Retirement Program by resolution on June 18, 2008, as required by Chapter 92 of the Laws of 2007 and NJSA 43:15C-1 et. seq. DCRP provides for employee contributions of 5.5% of employee's annual base salary. Employers are required to contribute 3% of the employee's base salary. The County's contributions to DCRP for the years ending December 31, 2023, 2022 and 2021 were \$54,407, \$55,045 and \$65,673 and respectively, equal to the required contributions for each year.

Post-Employment Healthcare Plan

The County contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the Division. The SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. The SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The County contribution to SHBP for the year ended December 31, 2023, was \$20,510,278 which equaled the required contributions for the year.

COUNTY TAXES

County Property Tax Rates

County taxes on real property are not levied by the County directly, but the amounts required to be raised are apportioned to the municipalities by the Board of Taxation located in each county. The County Board of Taxation fixes and determines the tax rate, which includes the amount required for county, local school districts and local municipal requirements.

Current property taxes are collected by the tax collectors of the municipalities within the County. Property taxes are due in four (4) installments, which become delinquent on February 1, May 1, August 1 and November 1. Each municipality is required to pay to the County Treasurer its share of the county purpose tax on the fifteenth (15th) day of February, May, August and November of each year, and if need be, to borrow money to make such payments as provided by New Jersey Statutes. Consequently, counties in the State experience 100% tax collection.

The following schedule shows the County property tax rate and the equalized valuation on which such County taxes were apportioned.

County Property Tax Rate and Equalized Valuations

<u>Year</u>	<u>County Tax Rate (per \$100)</u>	<u>Equalized Valuation</u>
2009	\$0.5104	\$29,365,481,297
2010	0.5104	29,099,745,522
2011	0.5011	28,774,322,435
2012	0.5107	27,539,059,608
2013	0.5635	26,367,768,361
2014	0.5769	25,436,791,282
2015	0.6158	25,466,430,286
2016	0.6311	25,677,598,255
2017	0.6347	26,081,261,902
2018	0.6427	26,537,050,714
2019	0.6457	27,054,614,423
2020	0.6572	27,618,671,833
2021	0.6464	28,247,906,406
2022	0.6025	30,319,419,435
2023	0.5303	34,487,655,178
2024	0.4711	38,842,076,365

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NET VALUATION TAXABLE

The previously mentioned equalized valuations on which County taxes are based are comprised of the aggregate of Net Valuations of the twenty-four (24) municipalities located within the County, using Assessed Value to True Value ratios maintained by the County Board of Taxation. The net taxable valuations for the past five years of the municipalities in the County are included below:

<u>MUNICIPALITY</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Clayton Borough	\$466,743,682	\$470,251,879	\$473,155,767	\$473,189,900	\$801,516,000
Deptford Township	2,829,992,276	2,838,348,378	2,849,254,255	2,851,637,498	2,797,878,600
East Greenwich Township	1,211,054,600	1,229,802,600	1,251,892,500	1,273,439,300	1,285,077,525
Elk Township	374,251,077	378,382,373	380,759,041	384,584,500	388,878,500
Franklin Township	1,230,598,454	1,234,106,285	1,239,774,554	1,244,641,300	1,253,913,000
Glassboro Borough	1,263,853,866	1,283,858,451	1,325,217,974	1,337,916,600	1,355,811,602
Greenwich Township	720,241,131	722,521,165	723,625,142	722,056,426	718,572,241
Harrison Township	1,545,984,112	1,549,432,832	1,540,516,947	1,552,968,900	1,560,600,700
Logan Township	1,454,409,740	1,511,604,340	1,649,740,340	1,815,851,040	2,961,544,340
Mantua Township	1,347,665,987	1,358,528,699	1,374,129,000	2,002,009,200	1,999,936,800
Monroe Township	2,721,975,400	2,753,359,000	2,777,194,100	2,814,545,900	2,848,401,300
National Park Borough	159,043,974	159,806,193	160,741,151	161,442,630	162,056,300
Newfield Borough	132,958,900	133,654,400	134,192,900	135,393,400	135,028,000
Paulsboro Borough	339,411,300	339,529,900	341,013,200	342,251,800	342,265,700
Pitman Borough	568,717,700	569,401,700	789,681,200	789,305,400	792,018,500
South Harrison Township	385,735,700	390,287,800	395,866,900	401,526,500	411,191,900
Swedesboro Borough	172,167,600	171,070,300	172,831,100	173,175,400	174,308,500
Washington Township	4,711,518,046	4,725,112,369	4,738,268,675	4,722,105,100	4,723,988,900
Wenonah Borough	218,200,300	218,135,500	216,925,400	217,736,900	217,346,700
West Deptford Township	2,211,842,859	2,213,939,203	2,226,297,128	2,239,679,130	2,307,572,500
Westville Borough	232,167,133	232,439,207	233,627,002	234,434,932	234,700,450
Woodbury City	570,769,299	628,848,585	629,711,957	631,488,369	628,489,865
Woodbury Heights Borough	250,017,821	250,767,491	249,697,411	251,566,457	251,214,200
Woolwich Township	<u>1,347,561,510</u>	<u>1,370,899,410</u>	<u>1,420,257,010</u>	<u>1,462,961,510</u>	<u>1,521,692,810</u>
TOTAL COUNTY	\$26,466,882,467	\$26,734,088,060	\$27,294,370,654	\$28,235,908,092	\$29,874,004,933

County Assessment Pilot Program

As part of a pilot program approved by the State, the County has finalized the assessment of real property and taken over the assessment process from the various municipalities located within the County.

Tax Appeals

State Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the municipalities within the County must mail to each property owner a notice of the current assessment and taxes on the property. That taxpayer has a right to petition the County Tax Board on or before April 1 for review. The County Board of Taxation has the authority, after a hearing, to decrease the assessment or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as cancelled or remitted taxes for that year. If the taxpayer feels the petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

Business Retention Act

Under the provisions of N J S.A. 54:4-1 et seq., all property, real and personal, within the jurisdiction of the State not expressly exempted from taxation is subject to taxation annually under the statute. Additionally, pursuant to the Business Retention Act, N J S.A. 54:4-1.13 et seq., machinery, apparatus or equipment of a petroleum refinery directly used for refining crude oil into petroleum production is taxable as tangible personal property. The standard of value of tangible personal property subject to taxation is assessed on the true value thereof, which is presumed to be the original cost less depreciation as of the assessment date, as shown on the books and records of the person assessed, provided that the true value of depreciable property shall, so long as such property remains in use or is held for use, be presumed to be not less than 20% of its original cost.

The taxable value of tangible personal property shall be at that percentage of true value as shall correspond to the average ratio of assessed value of real property promulgated by the Director of the Division of Taxation on October 1 of the pre-tax year for State school aid purposes. The taxable value determined pursuant to this promulgation shall be taxed at the general real property tax rate of the taxing district.

On or before September 1 each year, any person owing tangible personal property is required to prepare and file with the tax assessor a return of such taxable personal property in the form and containing the information as prescribed by the Director of the Division of Taxation.

TEN LARGEST TAXPAYERS

<u>Name</u>	<u>Type of Business</u>	<u>2024 Assessed Value</u>	<u>Percent of County Total Assessed Valuation</u>
Paulsboro Refinery Co LLC	Oil Refinery (951 Billingsport Rd.)	\$265,028,500	0.89%
Logan Flow Center Property Owner	Target Distribution Center	151,957,100	0.51%
Deptford Mall	Retail Property (Deptford)	124,845,000	0.42%
Route 322 NJ LLC	Industrial	118,254,300	0.40%
SVF Oldmans Creek Logan LLC	Developer	98,138,000	0.33%
Sunoco c/o KE Andrews	Oil Refinery	57,699,500	0.19%
MEPT 1150 Commerce c/o Altus	Warehouse	57,157,300	0.19%
GPT BTS Mantua Grove Owner LLC	Amazon Fulfillment Center	55,000,000	0.18%
Logan Industrial Partners/ Ad Logan	Business Facility	54,764,600	0.18%
RAR2 395 Pedricktown Rd-Ryan LLC TX	Warehouse	<u>43,966,200</u>	<u>0.15%</u>
Total:		\$1,026,810,500	3.44%
Total Assessed Valuation (Real Property) in the County (2024):		\$29,843,942,902	

REAL PROPERTY ASSESSMENTS

Each county board of taxation annually ascertains and determines the general ratio or percentage of true value at which the assessed value of real property of each taxing district is assessed. It prepares an equalization table showing the assessed valuation of the real property in each district, the ratio or percentage, if any, by which the assessed valuation should be increased or decreased in order to correspond to true value.

For the 2024 tax year, the County Board of Taxation filed with the State, on behalf of the twenty-four municipalities, the following aggregate assessed values and true values are shown below.

REAL PROPERTY EXCLUSIVE OF CLASS II RAILROAD PROPERTY

<u>Municipality</u>	<u>2024 Aggregate Assessed Value</u>	<u>Ratio of Aggregate Assessed Value to True Value</u>	<u>2024 Aggregate True Value</u>
Clayton Borough	\$801,516,000	105.67%	\$758,508,564
Deptford Township	2,797,878,600	74.14%	3,773,777,448
East Greenwich Township	1,285,077,525	74.85%	1,716,870,441
Elk Township	388,878,500	71.34%	545,105,831
Franklin Township	1,253,913,000	67.18%	1,866,497,469
Glassboro Borough	1,355,811,602	74.33%	1,824,043,592
Greenwich Township	688,510,210	74.36%	925,914,753
Harrison Township	1,560,600,700	71.74%	2,175,356,426
Logan Township	2,961,544,340	107.93%	2,743,949,171
Mantua Township	1,999,936,800	95.79%	2,087,834,638
Monroe Township	2,848,401,300	71.80%	3,967,132,730
National Park Borough	162,056,300	73.10%	221,691,245
Newfield Borough	135,028,000	72.06%	187,382,737
Paulsboro Borough	342,265,700	79.42%	430,956,560
Pitman Borough	792,018,500	88.41%	895,847,189
South Harrison Township	411,191,900	66.97%	613,994,176
Swedesboro Borough	174,308,500	69.68%	250,155,712
Washington Township	4,723,988,900	72.77%	6,491,670,881
Wenonah Borough	217,346,700	72.59%	299,416,862
West Deptford Township	2,307,572,500	68.86%	3,351,107,319
Westville Borough	234,700,450	67.58%	347,292,764
Woodbury City	628,489,865	73.85%	851,035,701
Woodbury Heights Borough	251,214,200	72.74%	345,359,087
Woolwich Township	<u>1,521,692,810</u>	<u>75.18%</u>	<u>2,024,065,988</u>
TOTAL COUNTY	\$29,843,942,902	77.13%	\$38,694,967,285

Source: New Jersey Division of Taxation Table of Equalized Valuation 2024

COUNTY FINANCES

The Budget Process

The County's process for establishing its annual operating and capital budgets, including submission of the budget to the Board, its approval by the Board and its certification by the Director ("Director") of the Division of Local Government Services ("Division of LGS"), are set forth by State statute. The County Treasurer/Chief Financial Officer is responsible for the preparation of the annual budgets.

The budget process begins with the submission of appropriation requests by the directors and managers of the various county departments and agencies to the Budget Committee which consists of the County Administrator, Deputy Administrator and the County Treasurer/Chief Financial Officer. The Committee reviews the requests, evaluates financial factors affecting the County, then makes recommendations to the Board of Commissioners.

The Board of Commissioners then meets to act on the Budget Committee's recommendations and to adopt a balanced budget which meets the desired goals.

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

The Local Budget Law, Chapter 4 of Title 40A of the New Jersey Statutes, as amended and supplemented ("Local Budget Law"), governs the budgeting and appropriation of funds by counties and municipalities.

The Local Budget Law requires counties and municipalities to adopt a "cash basis" budget (unless otherwise permitted by law) in such form that there will be sufficient cash collected to meet all debt service requirements, necessary operations of the municipalities for the fiscal year and any mandatory payments required to be met during the fiscal year.

No budget shall be adopted unless the Director shall have previously certified his approval thereof. Every county and municipality must include in its budget an appropriation for the payment of debt service. The Director is required to examine such appropriation to determine whether it is properly set forth, in addition to determining whether all estimates of revenue contained in the budget are reasonable, accurate and correctly stated.

A statute passed in 1976, as amended (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the "Cap Law", imposed restrictions which limit the allowable increase on county taxes over the previous year's taxes to the lesser of two and one-half percent (2 1/2%), or the rate of the annual percentage increase in the Implicit Price Deflator for State and Local Government purchases of goods and services, as published by the United States Department of Commerce ("Cost of Living Adjustment"). If the Cost-of-Living Adjustment is equal to or less than two and one-half percent (2 1/2%), an increase greater than the Cost of Living Adjustment, but not to exceed three and one-half percent (3 1/2%) over the previous year's county tax levy, will be permitted. If the Cost-of-Living Adjustment is equal to or less than two and one-half percent (2 1/2%) and a county increases its final appropriations or county tax levy in an amount less than three and one-half percent (3 1/2%), it may, in either of the following two years' budgets appropriate additional taxes in an amount equal to the difference between its actual final appropriations or county tax levy and three and one-half percent (3 1/2%). Exceptions to the limitations imposed by the Cap Law exist for, among other things, the payment of debt service; capital expenditures; extraordinary expenses approved by the Local Finance Board required for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by court order or Federal or State law.

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

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

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

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The chief financial officer of every local unit, including the County must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit account must be performed annually by a licensed registered municipal accountant. The 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 report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The County's entire annual audit report for the year ended December 31, 2023 is on file with the Clerk of the Board and is available for review during business hours. The 2023 Audit is also available on the County's website at <http://www.co.gloucester.nj.us>.

General Expenditures of the County

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

Recent Budgetary and Financial Condition

The total amount of taxes to be collected from municipalities within the County in 2024 is \$182,500,000, which is equal to what was budgeted in 2023 and 2022.

	2024	2023	2022
<u>APPROPRIATIONS</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>BUDGET</u>
General Government	\$14,230,379.00	\$14,864,559.00	\$15,357,485.00
Health & Human Services	29,308,599.00	29,581,144.00	29,277,712.00
Educational	20,716,783.00	20,701,383.00	20,725,041.00
Parks and Recreation	1,747,655.00	1,712,345.00	1,623,864.00
Land Use Administration	356,037.00	448,912.00	443,281.00
Code Enforcement & Administrator	0.00	84,338.00	85,857.00
Insurance	31,568,500.00	31,418,500.00	27,688,500.00
Public Safety Functions	64,323,482.00	62,895,543.00	62,052,579.00
Public Works	9,366,271.00	9,455,777.00	9,632,873.00
Utilities & Bulk Purchases	3,587,700.00	3,491,000.00	3,402,000.00
Landfill/Solid Waste Disposal	2,956,198.00	2,955,874.00	3,867,782.00
Unclassified	450,000.00	450,000.00	450,000.00
State and Federal Programs			
Offset w/ Revenues	5,267,175.00	5,052,354.00	13,465,319.00
Contingency	400,000.00	400,000.00	500,000.00
Capital Improvements	1,291,877.00	733,772.00	859,942.00
Debt Service	34,039,623.00	35,774,151.00	38,866,566.00
Deferred Charges and			
Statutory Expenditures	21,709,131.00	24,084,938.00	21,218,753.00
TOTAL GENERAL APPROPRIATIONS	\$241,319,410.00	\$244,104,590.00	\$249,517,554.00
ANTICIPATED REVENUES			
Miscellaneous Revenues:			
State Aid	\$2,089,352.00	\$1,988,715.00	\$2,096,226.00
Local Revenues	27,917,801.00	20,764,555.00	19,806,063.00
Other Special Items	19,900,889.00	30,787,842.00	22,837,590.00
State Assumption of Costs of County Social/Welfare Services	494,576.00	457,786.00	455,567.00
Special Items of General Revenue Anticipated w/Prior Consent	5,166,792.00	4,957,092.00	13,371,838.00
Total Miscellaneous Revenues	55,569,410.00	58,955,990.00	58,567,284.00
Surplus Anticipated	3,250,000.00	2,648,600.00	8,450,270.00
Amount to be Raised by Taxation	182,500,000.00	182,500,000.00	182,500,000.00
TOTAL GENERAL REVENUES	\$241,319,410.00	\$244,104,590.00	\$249,517,554.00

DISCUSSION OF FINANCIAL OPERATIONS

Basis of Accounting

The accounting policies of the County conform to the accounting principals applicable to counties which have been prescribed by the Division. The following is a summary of the significant policies:

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

Interfunds receivables in the Current Fund are recorded with offsetting reserves. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Fixed Assets - Property and equipment purchased by the Current Fund and the General Fund are recorded as expenditures at the time of purchase and are not capitalized.

The Current Fund

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

REVENUE SOURCES OF THE COUNTY

County Tax Receipts and Other Revenues

The County purpose taxes are apportioned among the constituent municipalities that comprise the County. The taxes reflect that portion of the total County equalized valuation that each municipality represents. The municipalities' and the County's valuations for this purpose include: (i) the total assessed valuation; (ii) an amount added or deducted to equalize the assessed valuation according to the ratio of assessed-to-true value promulgated by the State Division of Taxation on October 1 of the next preceding year; (iii) an amount which reflects the true value of municipality-owned property which is leased and income producing; (iv) the value of certain railroad property, adjusted downward to reflect only that portion on which local property taxes are not in default and uncollectible; and (v) the capitalized amount of replacement revenues-business personal property tax received during the next preceding year.

COUNTY BUDGET REVENUES AND TAX RECEIPTS

<u>Year</u>	<u>Total Revenues</u>	<u>County Purpose Tax</u>	<u>Taxes as a % of Revenues</u>	<u>Other Revenue</u>
2010	\$244,411,875	\$148,020,000	60.56%	\$96,391,875
2011	219,891,640	144,125,000	65.54	75,766,640
2012	220,426,946	139,975,000	63.50	80,451,946
2013	216,889,704	141,970,000	65.46	74,919,704
2014	221,267,054	147,900,000	66.84	73,367,054
2015	220,915,385	155,800,000	70.52	65,115,385
2016	225,341,714	161,000,000	71.45	64,341,714
2017	230,584,515	164,887,378	71.51	65,697,137
2018	244,296,029	170,000,000	69.58	74,296,029
2019	237,510,813	174,000,000	73.25	63,510,813
2020	225,333,122	178,000,000	78.99	47,333,122
2021	237,767,935	182,500,000	76.75	55,267,935
2022	249,517,554	182,500,000	73.14	67,017,554
2023	244,104,590	182,500,000	74.76	61,604,590
2024	241,319,410	182,500,000	75.63	58,819,410

MUNICIPAL INDEBTEDNESS¹

The following table shows the indebtedness of the twenty-four (24) municipalities in the County as of December 31, 2023.

<u>Municipality</u>	<u>Total Gross Debt</u>	<u>Total Deductions</u>	<u>Total Net Debt December 31, 2023</u>
Clayton Borough	\$24,784,230.66	\$19,691,103.66	\$5,093,127.00
Deptford Township	57,617,497.85	36,035,000.00	21,582,497.85
East Greenwich Township	41,913,590.94	31,738,212.83	10,175,378.11
Elk Township	2,716,981.98	1,838,856.98	878,125.00
Franklin Township	14,488,983.02	7,677,933.20	6,811,049.82
Glassboro Borough	64,855,525.00	32,898,950.00	31,956,575.00
Greenwich Township	12,601,042.78	2,660,000.00	9,941,042.78
Harrison Township	69,715,013.33	45,331,049.49	24,383,963.84
Logan Township	26,293,000.00	6,675,000.00	19,618,000.00
Mantua Township	36,427,033.24	26,909,783.24	9,517,250.00
Monroe Township	69,745,845.84	31,245,000.00	38,500,845.84
National Park Borough	5,320,586.79	5,020,586.79	300,000.00
Newfield Borough	1,603,665.87	783,680.87	819,985.00
Paulsboro Borough	31,377,802.00	23,950,456.29	7,427,345.71
Pitman Borough	14,805,341.04	7,646,601.04	7,158,740.00
South Harrison Township	9,454,420.66	9,454,420.66	0.00
Swedesboro Borough	12,787,673.56	10,764,673.56	2,023,000.00
Washington Township	53,951,943.84	7,445,000.00	46,506,943.84
Wenonah Borough	14,396,330.01	9,466,330.01	4,930,000.00
West Deptford Township	99,879,218.23	45,426,327.47	54,452,890.76
Westville Borough	10,538,379.88	6,848,547.56	3,689,832.32
Woodbury City	53,583,608.64	34,854,700.81	18,728,907.83
Woodbury Heights Borough	9,898,970.78	6,855,470.78	3,043,500.00
Woolwich Township	<u>89,865,136.24</u>	<u>46,310,000.00</u>	<u>43,555,136.24</u>
TOTAL	\$828,621,822.18	\$457,527,685.24	\$371,094,136.94

COUNTY INDEBTEDNESS

Debt Authorization

The Local Bond Law (N.J.S.A. 40A:2-1 et seq.) ("Local Bond Law") governs the issuance of bonds and notes by the County to finance certain 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 5% of the bond authorization be generally provided.

Debt Limits

The debt of the County is limited by Local Bond Law to an amount equal to 2% of its equalized valuation basis. The equalized valuation basis of the County is set by statute as the average value of all taxable real property and improvements and certain Class II railroad property within its boundaries as annually determined by the State Board of Taxation for each of the three most recent years. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Exceptions to Debt Limits-Extensions of Credit

The debt limit of the County may be exceeded with the approval of the New Jersey Department of Community Affairs, Division of Local Government Services, Local Finance Board ("Local Finance Board"). If all or any part of a proposed debt authorization exceeds its debt limit, the County must apply to the Local Finance Board for an extension of credit. The Local Finance Board considers the request, concentrating its review on the effect of the proposed authorization on outstanding obligations and operating expenses and the anticipated ability to meet the proposed obligations. If the Local Finance Board determines that a proposed debt authorization would materially impair the ability of the County to meet its obligations or to provide essential services, approval is denied.

Debt Statements

The County must report all new authorization of debt or changes in previously authorized debt to the New Jersey Division of Local Government Services. The Supplemental Debt Statement, as this report is known, must be submitted to the Division of Local Government Services prior to final passage of any debt authorization. Before January 31 of each year, the County must file an Annual Debt Statement with the Division of Local Government Services. This report, prepared by the Chief Financial Officer, is made under oath and indicates the authorized, issued and unissued debt of the County as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division of Local Government Services monitors all local borrowing. Even though the County's authorizations are within its debt limits, the Division of Local Government Services is able to enforce State regulations as to the amounts and purposes of local borrowing.

STATUTORY DEBT
As of December 31, 2023

Bonded Debt	\$145,090,000.00
Bonds Authorized but Not Issued	-
Miscellaneous Bonds, Notes and Loans Issued	79,440,000.00
Bonds Guar. By County Issued by Another Public Body	<u>110,308,418.00</u>
Total Gross Debt	<u>\$334,838,418.00</u>
Less Deductions:	
Reserve for Debt Service	\$ 2,575,864.00
Capital Projects for County Colleges	14,687,500.00
Bonds Guar. by County Issued by Another Public Body	<u>110,308,418.00</u>
Total Deductions from Gross Debt	<u>\$127,571,782.00</u>
Statutory Net Debt	\$207,266,636.00

DEBT LIMIT

Three-Year Average Equalized Valuation (2021-2023)	\$33,919,328,067.67
Statutory Borrowing Capacity (2% of Average Equalized Valuation)	\$678,386,561.35
Statutory Net Debt	\$207,266,636.00
Remaining Borrowing Capacity	\$471,119,925.35
Percentage Statutory Net Debt to Average Equalized Valuation	0.611%
Percentage Statutory Net Debt to 2023 Equalized Valuation (\$38,066,589,418)	0.544%
Net Debt per Capita	\$685.65

OUTSTANDING BONDED INDEBTEDNESS

The outstanding general obligation indebtedness (bonded debt only) of the County as of December 31, 2023 is shown in the following table:

<u>Issue</u>	<u>Interest Rates</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
2013 General Obligation Bonds	2.00 to 2.50%	6/28/2013	3/1/2028	\$8,120,000.00
2014 County College-Chapter 12	2.00 to 2.50%	6/11/2014	3/1/2024	500,000.00
2014 Building Our Future Bonds	2.00 to 2.50%	6/11/2014	3/1/2024	645,000.00
2015 County College Bonds-Chapter 12	2.00 to 3.25%	6/25/2015	3/1/2030	822,500.00
2015 General Obligation Bonds	2.00 to 3.00%	6/25/2015	3/1/2025	950,000.00
2015 County College Bonds-Chapter 12	3.00 to 4.00%	6/25/2015	3/1/2030	822,500.00
2016 County College Bonds-Chapter 12	2.00 to 2.38%	5/24/2016	3/1/2031	875,000.00
2016 General Obligation Bonds	1.00 to 2.00%	5/24/2016	3/1/2027	2,155,000.00
2016 County College Bonds-Chapter 12	1.63%	5/24/2016	3/1/2031	875,000.00
2017 General Obligation Bonds	2.00 to 3.13%	5/31/2017	3/1/2028	4,175,000.00
2017 Building Our Future Bonds	2.00 to 3.13%	5/31/2017	3/1/2027	1,075,000.00
2017 County College Bonds-Chapter 12	2.00 to 2.50%	5/31/2017	3/1/2032	960,000.00
2017 County College Bonds-Chapter 12	3.00 to 4.00%	5/31/2017	3/1/2032	960,000.00
2017 General Obligation Bonds Refinance	3.00 to 5.00%	8/9/2017	10/15/2029	12,895,000.00
2018 General Obligation Bonds	3.00 to 3.25%	5/16/2018	4/1/2033	12,565,000.00
2018 County College Bonds-Chapter 12	3.00 to 3.375%	5/16/2018	4/1/2033	1,155,000.00
2018 County College Bonds-Chapter 12	3.00 to 3.375%	5/16/2018	4/1/2033	1,155,000.00
2019 General Obligation Bonds	2.50 to 2.75%	5/2/2019	3/1/2034	23,675,000.00
2019 County College Bonds-Chapter 12	4.00 to 5.00%	5/2/2019	3/1/2034	2,522,500.00
2019 County College Bonds-Chapter 12	2.00 to 3.00%	5/2/2019	3/1/2034	2,522,500.00
2019 General Obligation Bonds Refinance	2.00 to 3.00%	9/18/2019	9/15/2025	5,480,000.00
2020 General Obligation Bonds	0.05 to 3.00%	6/25/2020	3/1/2029	10,695,000.00
2021 General Obligation Refinance	5.00%	12/2/2021	3/1/2027	5,305,000.00
2021 General Obligation Bonds	2.00%	5/13/2021	3/1/2031	13,460,000.00
2021 County College Bonds	2.00%	5/13/2021	3/1/2036	7,615,000.00
2022 General Obligation Bonds	3.875 to 5.00%	5/17/2022	3/1/2034	11,310,000.00
2022 County College Bonds	3.875 to 5.00%	5/17/2022	3/1/2042	2,412,500.00
2022 County College Bonds	3.875 to 5.00%	5/17/2022	3/1/2042	2,412,500.00
2023 General Obligation Bonds	3.00 to 4.00%	5/10/2023	3/1/2032	3,210,000.00
2023 County College Bonds-Chapter 12	3.00 to 4.00%	5/10/2023	3/1/2038	1,882,500.00
2023 County College Bonds-Chapter 12	3.00 to 4.00%	5/10/2023	3/1/2038	<u>1,882,500.00</u>
TOTAL				<u>\$145,090,000.00</u>

SCHEDULE OF GENERAL OBLIGATION DEBT SERVICE (As of December 31, 2023)

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$21,760,000.00	\$4,245,596.55	\$26,005,596.55
2025-2027	50,830,000.00	9,061,487.54	59,891,487.54
2028-2032	52,325,000.00	6,888,621.97	59,213,621.97
2033-2037	15,805,000.00	1,720,118.90	17,525,118.90
2038-2042	<u>4,370,000.00</u>	<u>444,584.40</u>	<u>4,814,584.40</u>
Total	\$145,090,000.00	\$22,360,409.36	\$167,450,409.36

CONTINGENT DEBT LIABILITY

The Gloucester County Improvement Authority

The Gloucester County Improvement Authority ("GCIA") is a public body corporate and politic of the State and was created by a resolution of the County Board adopted on December 16, 1963. The GCIA operates under the supervision of five (5) members who are appointed by the County Board for five-year staggered terms. The following table identifies the GCIA transactions in which the payment of debt service is secured either by payments pursuant to a County lease or loan agreement and/or County guaranty. The GCIA has undertaken other bond issues; however, repayment of the debt in those transactions is secured by sources other than the County.

The GCIA has never failed to make timely payment of the principal and/or interest on any of the bonds, notes, or obligations described below. The County has never failed to make timely payment of any payment obligations due pursuant to an agreement with the GCIA and pledged by the GCIA as security for the GCIA bonds. The County has never been required to make a payment pursuant to its guaranty of GCIA bonds or notes.

GCIA'S DEBT UNDER A LEASE OR LOAN AGREEMENT WITH THE COUNTY OR GUARANTEED BY THE COUNTY (AS OF DECEMBER 31, 2023) ⁽¹⁾

<u>Issue</u>	<u>Interest Rates</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
Included in Gross Debt:				
Lease Revenue Bonds, Series 2004B	4.130% to 4.500%	12/7/04	11/1/24	\$65,000
Lease Revenue Bonds, Series 2004C	4.000% to 4.500%	12/7/04	11/1/24	30,000
2012 Refunding Bonds	2.625% to 4.000%	2/28/12	12/1/29	4,005,000
2012 Solid Waste Revenue Bonds	3.000% to 5.000%	7/10/12	3/1/25	1,080,000
2013 Refunding Bonds	3.130% to 5.000%	4/17/13	9/1/30	13,390,000
2014 Solid Waste Revenue Bonds	2.000% to 5.000%	7/31/14	3/1/31	3,180,000
2015 Refunding Bonds	4.000% to 5.000%	9/24/15	4/1/33	32,935,000
2016 Refunding Bonds	1.477%	9/2/16	9/1/26	22,770,000
2016 Refunding Bonds	4.000%	7/12/16	4/1/38	1,380,000
2016 Refunding Bonds	4.000 to 5.000%	11/15/16	3/1/30	6,745,000
2017 NJIB Trust Share	1.370%	11/21/17	9/1/31	930,000
2017 NJIB Fund Share	n/a	11/21/17	9/1/31	2,402,380
2020 NJIB Trust Share	5.000%	5/13/20	8/1/29	775,000
2020 NJIB Fund Share	n/a	5/13/20	8/1/29	2,350,632
2020 County GO Bonds	3.000 to 5.000%	6/17/20	5/15/35	23,735,000
2021 NJIB Trust Share	5.000%	6/10/21	8/1/28	2,745,000
2021 NJIB Fund Share	n/a	6/10/21	8/1/28	2,786,851
2023 Solid Waste Revenue Bonds	5.00%	3/22/23	3/1/34	<u>9,385,000</u>
TOTAL				<u>\$130,689,863</u>

(1) unaudited

The Gloucester County Utilities Authority

The Gloucester County Utilities Authority ("Utilities Authority") is a public body corporate and politic of the State originally created under the name The Gloucester County Sewerage Authority, pursuant to a resolution of the County Board adopted July 21, 1967 and the Sewerage Authorities Law, constituting Chapter 138 of the Laws of 1946 of the State of New Jersey, as amended and supplemented. The Utilities Authority has been renamed, reorganized and is continued as a public body corporate and politic pursuant to a resolution of the County Board adopted August 7, 1978 and the Act.

Pursuant to the terms of a Deficiency Advance Contract, the County is obligated to pay the Utilities Authority any annual charges charged to and payable by the County for any deficit in revenues to pay or provide for: (1) operations and maintenance expenses of the regional sewerage system; (2) the principal and interest on the Utilities Authority's bonds as the same become due; and (3) to maintain required revenues. The obligations of the County pursuant to the provisions of the Deficiency Advance Contract constitute a valid and binding direct and general obligation of the County.

No payment has been required to be made by the County pursuant to the Deficiency Advance Contract.

As of December 31, 2023, the Utilities Authority has the following series of Sewer Revenue Bonds and New Jersey Infrastructure Bank ("NJIB") Bonds outstanding:

<u>Issue</u>	<u>Amount Outstanding</u>
2008 NJIB Trust Share	\$605,000.00
2008 NJIB Fund Share	179,994.77
2010 NJIB Trust Share	130,000.00
2010 NJIB Fund Share	302,163.24
2010 ARRA Trust Share	45,531.71
2010 ARRA Fund Share	36,000.00
2010 NJIB Trust Share – Series B	515,000.00
2010 NJIB Fund Share – Series B	411,710.64
2013 NJIB Trust Share	515,000.00
2013 NJIB Fund Share	1,171,966.17
2015 NJIB Trust Share	690,000.00
2015 NJIB Fund Share	1,417,395.20
2017 Refunding Bonds	3,055,000.00
2018 NJIB Trust Share	390,000.00
2018 NJIB Fund Share	1,034,453.95
20198 NJIB Trust Share	9,560,000.00
20198 NJIB Fund Share	25,151,236.20
NJ I-Bank Project Note Dated 3/22/2023	<u>13,848,103.00</u>
TOTAL	<u>\$59,058,554.88</u>

SIX YEAR CAPITAL PROGRAM

The Six Year Capital Program of the County is presented in the table below.

SIX YEAR CAPITAL PROGRAM -2024-2029 Anticipated Project Schedule and Funding Requirements County of Gloucester

<u>Project Title</u>	<u>Project Number</u>	<u>Estimated Total Costs</u>						
		<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	
County Park Improvements	1	\$6,953,500	\$438,500	\$3,050,000	\$1,385,000	\$1,810,000	\$185,000	\$85,000
Buildings New & Renovated	2	12,534,111	5,849,111	2,123,000	1,011,000	1,514,000	1,017,000	1,020,000
Highways	3	73,401,439	13,731,439	11,930,000	11,935,000	11,935,000	11,935,000	11,935,000
Intersections	4	2,800,000	1,300,000	300,000	300,000	300,000	300,000	300,000
Bridges, Dams and Drainage	5	7,651,213	1,276,213	1,275,000	1,275,000	1,275,000	1,275,000	1,275,000
Computer Equipment	6	4,793,947	1,661,000	1,203,947	471,000	471,000	516,000	471,000
Communications Equipment	7	12,014,210	5,576,784	1,280,452	1,204,404	1,384,190	1,334,190	1,234,190
EMS Equipment	8	15,424,500	1,951,000	2,870,500	2,342,000	2,546,500	2,755,000	2,959,500
Other Equipment	9	716,567	100,000	216,567	100,000	100,000	100,000	100,000
Miscellaneous Capital Purchases	10	<u>612,263</u>	<u>612,263</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total-All Projects		\$136,901,750	\$32,496,310	\$24,249,466	\$20,023,404	\$21,335,690	\$19,417,190	\$19,379,690

SOLID WASTE MATTERS

Pursuant to the Solid Waste Management Act, constituting Chapter 39 of the Pamphlet Laws of 1970 of the State of New Jersey (N J S.A. 13:1E-1 et seq.), as amended and supplemented and the regulations promulgated thereunder ("Solid Waste Management Act"), the New Jersey Legislature initiated a comprehensive statutory mechanism for the management of solid waste disposal in the State. The Solid Waste Management Act requires each county to develop a comprehensive plan for the collection, transportation and disposal of all solid waste generated in the County. The New Jersey Department of Environmental Protection ("NJDEP" or "Department") reviews and certifies each county plan to ensure its consistency with Statewide solid waste management objectives, criteria and standards.

Pursuant to the Solid Waste Management Act, the County has lawfully adopted and implemented a County-wide solid waste management plan, as the same has been amended and supplemented to date, through the auspices of the GCIA ("Solid Waste Management Plan"). Pursuant to the Solid Waste Management Plan and the McEnroe Act, N J S.A. 13-IE-136 et seq. ("McEnroe Act"), the County has full legal authority to control the disposal of all processible solid waste generated within the County. The County's Solid Waste Management Plan currently consists of two (2) primary components: (i) a mass burn waste-to-energy facility located in West Deptford, New Jersey ("Resource Recovery Facility"); and (ii) the Gloucester County Landfill which is owned and operated by the GCIA ("Landfill").

Pursuant to and in accordance with the Solid Waste Management Act and the McEnroe Act, and following a non-discriminatory procurement process, the County and the GCIA, on December 31, 2019, entered into a ten (10) year agreement with Wheelabrator Gloucester County L.P., a subsidiary of Granite Acquisition Inc. ("Company"), for the provision of disposal services related to solid waste generated within the County ("Agreement"). The Agreement, among other things, provides that the GCIA direct the disposal of all processible solid waste generated within the County to the Resource Recovery Facility and all bypass waste to the Landfill. In addition, the Agreement contractually obligates the Company to dispose of its residual ash waste at the Landfill, and authorizes the GCIA to accept at the Landfill for a disposal fee, construction and demolition waste and non-processible waste. The Agreement, by its terms, expires on December 31, 2029.

The GCIA has outstanding solid waste revenue bonds which were issued to finance various capital improvements and enlargements to the Landfill ("Solid Waste Bonds").

Information with respect to the Solid Waste Bonds is included in the table entitled "GCIA'S DEBT UNDER A LEASE OR LOAN AGREEMENT WITH THE COUNTY OR GUARANTEED BY THE COUNTY" herein.

APPENDIX B
Audited Financial Statements of the County

FOR THE YEARS ENDED 2023 AND 2022

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Director and
Members of the County Board of Commissioners
County of Gloucester
Woodbury, New Jersey 08096

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the County of Gloucester, State of New Jersey, as of December 31, 2023 and 2022, 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.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the County of Gloucester, State of New Jersey, as of December 31, 2023 and 2022, 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.

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* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the County of Gloucester, State of New Jersey, as of December 31, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

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, 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 and pervasive.

Responsibilities of Management 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. Management is also responsible for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Respectfully submitted,

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

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

Woodbury, New Jersey
June 18, 2024

COUNTY OF GLOUCESTER
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2023 and 2022

ASSETS	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Regular Fund:			
Cash	SA-1	\$ 109,219,442.72	\$ 95,292,918.35
Cash--Change Funds	A	<u>1,200.00</u>	<u>1,200.00</u>
		<u>109,220,642.72</u>	<u>95,294,118.35</u>
Receivables with Full Reserves:			
Accounts Receivable	SA-3	<u>1,526,223.78</u>	<u>1,337,946.30</u>
		<u>1,526,223.78</u>	<u>1,337,946.30</u>
Deferred Charges:			
Special Emergency Authorizations	SA-7	<u>-</u>	<u>3,000,000.00</u>
		<u>-</u>	<u>3,000,000.00</u>
Total Regular Fund		<u>110,746,866.50</u>	<u>99,632,064.65</u>
Federal and State Grant Fund:			
Cash	SA-1	4,923,815.61	45,855,155.94
Grants Receivable	SA-8	<u>85,192,512.63</u>	<u>89,427,280.56</u>
Total Federal and State Grant Fund		<u>90,116,328.24</u>	<u>135,282,436.50</u>
		<u>\$ 200,863,194.74</u>	<u>\$ 234,914,501.15</u>

(Continued)

COUNTY OF GLOUCESTER
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2023 and 2022

LIABILITIES, RESERVES AND FUND BALANCE	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Regular Fund:			
Appropriation Reserves	A-3,SA-4	\$ 12,753,444.70	\$ 13,423,528.58
Reserve for Encumbrances	A-3,SA-4	2,905,182.31	2,214,584.76
Payroll Taxes Payable	SA-1	1,284,314.49	1,213,485.28
Reserve for FEMA	A-2		2,298,253.00
Reserve for COVID19 Gloucester County Megasite	SA-5		7,620.76
Reserve for Tropical Storm Ida Tornado	SA-6		1,305,355.90
Sub-Total		16,942,941.50	20,462,828.28
Reserve for Receivables	A	1,526,223.78	1,337,946.30
Fund Balance	A-1	92,277,701.22	77,831,290.07
Total Regular Fund		110,746,866.50	99,632,064.65
Federal and State Grant Fund:			
Reserve for:			
Encumbrances	SA-9	32,913,681.76	32,804,923.52
Appropriated Grants	SA-9	57,175,032.48	95,360,076.19
Unappropriated Grants	SA-10	27,614.00	7,117,436.79
Total Federal and State Grant Fund		90,116,328.24	135,282,436.50
		<u>\$ 200,863,194.74</u>	<u>\$ 234,914,501.15</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

COUNTY OF GLOUCESTER
CURRENT FUND
 Statements of Operations and Changes in Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
REVENUE AND OTHER INCOME REALIZED		
Fund Balance Realized	\$ 2,648,600.00	\$ 8,450,270.00
Miscellaneous Revenue Anticipated	88,719,180.31	133,747,469.09
Receipts from Current Taxes	182,500,000.00	182,500,000.00
Non-Budget Revenues	3,174,789.49	5,261,278.80
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	5,438,174.74	6,026,163.45
Canceled Reserves	1,312,976.66	
	<u>283,793,721.20</u>	<u>335,985,181.34</u>
EXPENDITURES		
Budget Appropriations:		
Operations:		
Salaries and Wages	86,681,513.00	86,497,388.00
Other Expenses	119,438,108.00	177,912,139.00
Capital Improvement Fund	733,772.00	859,942.00
Debt Service	35,760,379.05	38,851,698.46
Deferred Charges and Statutory Expenditures	24,084,938.00	21,188,326.97
	<u>266,698,710.05</u>	<u>325,309,494.43</u>
Excess in Revenue	17,095,011.15	10,675,686.91
Fund Balance January 1	<u>77,831,290.07</u>	<u>75,605,873.16</u>
	94,926,301.22	86,281,560.07
Decreased by:		
Utilized as Anticipated Revenue	<u>2,648,600.00</u>	<u>8,450,270.00</u>
Fund Balance December 31	<u>\$ 92,277,701.22</u>	<u>\$ 77,831,290.07</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

COUNTY OF GLOUCESTER
TRUST FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Cash	SB-1	\$ 40,750,667.18	\$ 39,932,653.22
		<u>\$ 40,750,667.18</u>	<u>\$ 39,932,653.22</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Reserve for:			
Encumbrances	SB-2	\$ 1,847,136.12	\$ 2,179,110.58
Miscellaneous Trust Funds:			
County Clerk's Improvement Fund	SB-2	217,612.22	286,093.49
Road Opening Permits	SB-2	674,557.25	877,798.63
Storm Recovery	SB-2	160,098.86	140,760.88
Storm Recovery - COVID19 Pandemic	SB-2	1,543.83	1,926.36
Weights and Measures	SB-2	20,352.03	17,814.53
Environmental Quality and Enforcement	SB-2	112,793.65	97,095.39
Bequests/Donations - EMS	SB-2	1,275.00	500.00
Motor Vehicle Fines	SB-2	951,558.18	638,655.82
Open Space, Recreation, Farmland & Historical Preservation	SB-2	34,968,265.43	34,105,879.90
Sheriff's Improvement Fund	SB-2	31,175.15	14,868.54
Accumulated Absences	SB-2	13,323.18	13,323.18
Fair Share/Developers Escrow	SB-2	116,362.31	82,379.91
Unemployment Insurance	SB-2	405,497.42	226,003.57
Tax Appeals	SB-2	53,496.24	57,534.40
Surrogate's Improvement Fund	SB-2	176,669.37	151,524.37
Solid Waste Fees	SB-2	21,435.78	33,454.10
Federal Forfeited Funds	SB-2	12,708.23	67,653.65
Forfeited Funds	SB-2	45,283.28	24,970.39
Forfeited Funds - Auto Theft	SB-2	60.11	7,980.08
Seized Assets	SB-2	730,554.76	567,287.50
Asset Maintenance Account	SB-2	24,636.32	4,618.88
Uniform Fire Safety	SB-2	15,154.01	10,645.01
Project Lifesaver	SB-2	1.38	1.38
Parks & Recreation Donations	SB-2	27,008.23	32,050.94
Animal Shelter Donations	SB-2	24,504.73	203,535.82
Health & Senior Services Donations	SB-2	48,752.61	28,405.20
Human Services Transportation Donations	SB-2	15,698.23	15,591.23
Veterans Affairs Donations	SB-2	20,626.65	32,064.87
Disability Services Donations	SB-2	5,102.59	5,102.59
Emergency Response/EMS Donations	SB-2	5,001.33	6,851.33
Sheriff's Forfeited Funds	SB-2	2,422.70	1,170.70
		<u>\$ 40,750,667.18</u>	<u>\$ 39,932,653.22</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

COUNTY OF GLOUCESTER
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance--Regulatory Basis
 As of December 31, 2023 and 2022

ASSETS	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Cash	SC-1	\$ 32,047,014.84	\$ 37,047,485.25
Grants Receivable	SC-3	27,945,325.26	31,154,975.49
Amount to be Provided for GCIA Financing	SC-10	14,835,000.00	18,235,000.00
Deferred Charges to Future Taxation:			
Funded	SC-4	209,842,500.00	229,353,500.00
Funded - Due from State of New Jersey	SC-4	14,687,500.00	13,983,500.00
Unfunded	SC-5		125.00
		<u>\$ 299,357,340.10</u>	<u>\$ 329,774,585.74</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Bonds Payable	SC-9	\$ 145,090,000.00	\$ 159,307,000.00
Obligations Under GCIA Financing	SC-10	14,835,000.00	18,235,000.00
GCIA Loans Payable	SC-11	79,440,000.00	84,030,000.00
Improvement Authorizations:			
Funded	SC-8	34,634,015.91	37,605,879.94
Unfunded	SC-8		125.00
Reserve for:			
Contracts/Encumbrances Payable	SC-8	20,769,765.36	26,067,031.48
Debt Service	SC-7	3,353,264.64	3,294,255.13
Capital Improvement Fund	SC-6	47,040.31	47,040.31
Fund Balance	C	<u>1,188,253.88</u>	<u>1,188,253.88</u>
		<u>\$ 299,357,340.10</u>	<u>\$ 329,774,585.74</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

COUNTY OF GLOUCESTER
Notes to Financial Statements
For the Year Ended December 31, 2023

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The County of Gloucester (hereafter referred to as the "County") is located in South New Jersey. Woodbury, the County seat, is approximately 13 miles from downtown Philadelphia and is approximately 100 miles from New York City. The County has twenty-four political subdivisions, and the population of the County of according to the 2020 census was 302,294.

The County government operates under a seven-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:

Gloucester County Improvement Authority 109 Budd Blvd Woodbury, New Jersey 08096	Gloucester County Utilities Authority 2 Paradise Road West Deptford, New Jersey 08066
Rowan College of South Jersey 1400 Tanyard Road Sewell, New Jersey 08080	Gloucester County Institute of Technology 1360 Tanyard Road Sewell, New Jersey 08080
Schools for Neurodiversity at Gloucester County Special Services School District 1340 Tanyard Road Sewell, New Jersey 08080	Gloucester County Housing Authority 100 Pop Moylan Blvd Deptford, New Jersey 08096
Gloucester County Insurance Commission 9 Campus Drive, Suite 216 Parsippany, New Jersey 07054	Gloucester County Library Commission 389 Wolfert Station Road Mullica Hill, New Jersey 08062
Pollution Control Financing Authority of Gloucester County 2 South Broad Street Woodbury, New Jersey 08096	Gloucester County Board of Social Services 2 South Broad Street Woodbury, New Jersey 08096

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.

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

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

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

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

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

Cash, Cash Equivalents, and Investments (Continued) - 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* (2 CFR Part 225), except that the useful life of such property is at least five years. The County has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The County is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the County's basic financial statements.

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

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

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

Fund Balance - Fund Balance included in the current fund 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 Gloucester. 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.

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 and interest on outstanding general capital bonds and notes are provided on the cash basis.

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

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital 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 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the County in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the County, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the County.

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2023, the County had bank balances of \$124,526,660.43 that were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 123,837,588.49
Uninsured and Uncollateralized	<u>689,071.94</u>
Total	<u><u>\$ 124,526,660.43</u></u>

New Jersey Asset & Rebate Management Program - During the year, the County participated in the New Jersey Asset & Rebate Management Program. The Program has an Advisory Board that is comprised of up to seven officials representing local governments that are investors in the Program. Deposits with the New Jersey Asset & Rebate Management Program are not subject to custodial credit risk as defined above. At December 31, 2023, the County's deposits with the New Jersey Asset & Rebate Management Program were \$69,414,746.45.

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County Tax Rate	<u>\$ 0.529</u>	<u>\$ 0.602</u>	<u>\$ 0.646</u>	<u>\$ 0.645</u>	<u>\$ 0.643</u>
County Open Space, Recreation, Farmland and Historic Preservation Tax Rate	<u>\$ 0.033</u>	<u>\$ 0.036</u>	<u>\$ 0.040</u>	<u>\$ 0.040</u>	<u>\$ 0.040</u>

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 34,487,655,178
2022	30,319,419,435
2021	28,247,906,460
2020	27,613,666,461
2019	27,054,614,423

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>
2023	\$ 182,500,000	\$ 11,302,836	\$ 193,802,836	100.00%
2022	182,500,000	10,809,044	193,309,044	100.00%
2021	182,500,000	11,155,921	193,655,921	100.00%
2020	178,000,000	10,931,146	188,931,146	100.00%
2019	174,000,000	10,720,964	184,720,964	100.00%

Note 4: FUND BALANCES APPROPRIATED

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

<u>Current Fund</u>			
<u>Year</u>	<u>Balance</u> <u>December 31,</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding Year</u>	<u>Percentage</u> <u>of Fund</u> <u>Balance Used</u>
2023	\$ 92,277,701	\$ 3,250,000	3.52%
2022	77,831,290	2,648,600	3.40%
2021	75,605,873	8,450,270	11.18%
2020	61,822,777	7,024,000	11.36%
2019	52,254,183	2,698,000	5.16%

Note 5: PENSION PLANS

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions' reporting on GASB No. 68, *Accounting and Financial Reporting for Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2023 was not available; therefore, the information from the measurement period June 30, 2022 is disclosed below.

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 Empower (formerly 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>

Note 5: PENSION PLANS (CONT'D)**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 P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. 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.

Vesting and Benefit Provisions

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

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 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Note 5: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)****Public Employees' Retirement System (Cont'd) -**

Service retirement benefits of 1/55th 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 1/60th 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.

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.

Note 5: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****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. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

Another 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 these legislations are 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 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, 2022 was 17.98% 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, 2022, the County's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$9,743,744.00 and is payable by April 1, 2023. 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, 2021, the County's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$8,255,576.00, which was paid on April 1, 2022.

Note 5: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)****Public Employees' Retirement System (Cont'd) -**

Employee contributions to the Plan for the year ended December 31, 2022 were \$4,113,489.74.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the County, under Chapter 133, P.L. 2001, for the year ended December 31, 2022 was .45% of the County's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the County, to the pension plan for the year ended December 31, 2022 was \$245,345.00 and is payable by April 1, 2023.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the County, under Chapter 366, P.L. 2001, for the year ended December 31, 2022 was 1.31% of the County's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 366, P.L. 2001, on-behalf of the County, to the pension plan for the year ended December 31, 2022 was \$707,134.00 and is payable by April 1, 2023. For the prior year measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the County, under Chapter 366, P.L. 2001, to the pension plan for the year ended December 31, 2021 was \$500,629.00, which was paid on April 1, 2022.

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, 2022 was 36.41% 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.

Note 5: 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, 2022, the County's contractually required contribution to the pension plan for the year ended December 31, 2022 is \$5,091,194.00 and is payable by April 1, 2023. 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, 2021, the County's contractually required contribution to the pension plan for the year ended December 31, 2021 was \$4,607,328.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were \$1,423,558.40.

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, 2022 was 7.10% of the County's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2022 was \$992,795.00 and is payable by April 1, 2023. For the prior year measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the County, to the pension plan for the year ended December 31, 2021 was \$705,952.00, which was paid on April 1, 2022.

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.

For the year ended December 31, 2023, employee contributions totaled \$98,578.77, and the County's contributions were \$57,406.85. 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, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The County's and State of New Jersey's proportionate share of the PERS net pension liability, under Chapter 366, P.L. 2001, were as follows:

County's Proportionate Share of Net Pension Liability	\$116,606,591.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County (C.366, P.L. 2001)	<u>5,307,641.00</u>
	<u>\$121,914,232.00</u>

Note 5: 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 Liability (Cont'd) - The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022. 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, 2022 measurement date, the County's proportion was .7726703369%, which was an increase of .0677380831% from its proportion measured as of June 30, 2021. Likewise, at June 30, 2022, the State of New Jersey's proportion, under Chapter 366, P.L. 2001, on-behalf of the County, was 4.1528133983%, which was an increase of .3253508276% from its proportion, on-behalf of the County, measured as of June 30, 2021.

Pension (Benefit) Expense - For the year ended December 31, 2022, the County's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was \$(6,931,077.00). 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, 2022, the County's contribution to PERS was \$8,255,576.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate shares of the PERS pension (benefit) expense, associated with the County, under Chapter 133, P.L. 2001 and Chapter 366, P.L. 2001, calculated by the Plan as of the June 30, 2022 measurement date, were \$245,345.00 and \$770,448.00, respectively. These on-behalf (benefits) expenses are 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, 2022, the County's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 44,808,328.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	7,974,569.00
	\$ 52,782,897.00

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022. 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, 2022 measurement date, the County's proportion was .3914636900%, which was a decrease of .0038575519% from its proportion measured as of June 30, 2021. Likewise, at June 30, 2022, the State of New Jersey's proportion, on-behalf of the County, was .03914636900%, which was a decrease of .0038570960% from its proportion, on-behalf of the County, measured as of June 30, 2021.

Note 5: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Police and Firemen's Retirement System Cont'd) -**

Pension (Benefit) Expense - For the year ended December 31, 2022, the County's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was \$(617,824.00). 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, 2022, the County's contribution to PFRS was \$4,607,328.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PFRS pension (benefit) expense, associated with the County, calculated by the Plan as of the June 30, 2022 measurement date, was \$920,054.00. This on-behalf (benefit) expense is not recognized by the County because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2022, 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	\$ 841,613.00	\$ 2,028,145.00	\$ 2,869,758.00	\$ 742,183.00	\$ 2,745,120.00	\$ 3,487,303.00
Changes of Assumptions	361,284.00	122,802.00	484,086.00	17,460,623.00	5,640,483.00	23,101,106.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	4,826,241.00	4,103,126.00	8,929,367.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	10,614,919.00	2,465,124.00	13,080,043.00	3,925,887.00	5,188,193.00	9,114,080.00
Contributions Subsequent to the Measurement Date	4,871,872.00	2,545,597.00	7,417,469.00	-	-	-
	<u>\$ 21,515,929.00</u>	<u>\$ 11,264,794.00</u>	<u>\$ 32,780,723.00</u>	<u>\$ 22,128,693.00</u>	<u>\$ 13,573,796.00</u>	<u>\$ 35,702,489.00</u>

Deferred outflows of resources in the amounts of \$4,871,872.00 and \$2,545,597.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2023. These amounts were based on an estimated April 1, 2024 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2022 to the County's year end of December 31, 2022.

Note 5: 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, 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	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	
Changes of Assumptions				
Year of Pension Plan Deferral:				
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
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04		6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
June 30, 2021	5.00	-	5.00	-
June 30, 2022	5.00	-	5.00	-
Changes in Proportion				
Year of Pension Plan Deferral:				
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
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22

Note 5: 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:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2023	\$ (9,008,372.00)	\$ (2,698,936.00)	\$(11,707,308.00)
2024	(4,183,618.00)	(2,105,557.00)	(6,289,175.00)
2025	(337,245.00)	(2,216,604.00)	(2,553,849.00)
2026	7,954,253.00	2,292,116.00	10,246,369.00
2027	90,346.00	(136,168.00)	(45,822.00)
Thereafter	-	10,550.00	10,550.00
	<u>\$ (5,484,636.00)</u>	<u>\$ (4,854,599.00)</u>	<u>\$ (10,339,235.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 6.55%	3.25% - 16.25%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

Note 5: 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-2021.

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

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, 2022) 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, 2022 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%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Note 5: 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, 2022. 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 and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer 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, 2022. 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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer 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 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, under Chapter 366, P.L. 2001, 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, 2022 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's Proportionate Share of the Net Pension Liability	\$ 149,805,312.00	\$ 116,606,591.00	\$ 88,353,142.00
State of New Jersey's Proportionate Share of Net Pension Liability associated the County (C.366, P.L. 2001)	6,818,763.00	5,307,641.00	4,021,614.00
	<u>\$ 156,624,075.00</u>	<u>\$ 121,914,232.00</u>	<u>\$ 92,374,756.00</u>

Note 5: 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, 2022 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 61,481,866.00	\$ 44,808,328.00	\$ 30,927,527.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>10,941,970.00</u>	<u>7,974,569.00</u>	<u>5,504,193.00</u>
	<u>\$ 72,423,836.00</u>	<u>\$ 52,782,897.00</u>	<u>\$ 36,431,720.00</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 5: 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.

Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Ten Plan Years)

	<u>Measurement Date Ended June 30,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's Proportion of the Net Pension Liability	0.7726703369%	0.7049322538%	0.7092492435%	0.7414752435%	0.7474496350%
County's Proportionate Share of the Net Pension Liability	\$ 116,606,591.00	\$ 83,509,794.00	\$ 115,660,004.00	\$ 133,602,590.00	\$ 147,169,107.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County (C.366, P.L. 2001)	5,307,641.00	4,833,462.00	4,940,892.00	5,017,112.00	-
	<u>\$ 121,914,232.00</u>	<u>\$ 88,343,256.00</u>	<u>\$ 120,600,896.00</u>	<u>\$ 138,619,702.00</u>	<u>\$ 147,169,107.00</u>
County's Covered Payroll (Plan Measurement Period)	\$ 54,914,084.00	\$ 49,179,792.00	\$ 49,769,500.00	\$ 51,219,540.00	\$ 50,301,512.00
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	222.01%	179.63%	242.32%	270.64%	292.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	<u>Measurement Date Ended June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
County's Proportion of the Net Pension Liability	0.7360797761%	0.7195062772%	0.7568953445%	0.7606011283%	0.7384607605%
County's Proportionate Share of the Net Pension Liability	\$ 171,347,606.00	\$ 213,097,122.00	\$ 169,907,838.00	\$ 142,405,334.00	\$ 141,134,524.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the County (C.366, P.L. 2001)	-	-	-	-	-
	<u>\$ 171,347,606.00</u>	<u>\$ 213,097,122.00</u>	<u>\$ 169,907,838.00</u>	<u>\$ 142,405,334.00</u>	<u>\$ 141,134,524.00</u>
County's Covered Payroll (Plan Measurement Period)	\$ 48,859,912.00	\$ 47,685,268.00	\$ 50,057,860.00	\$ 50,600,300.00	\$ 49,003,020.00
County's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	350.69%	446.88%	339.42%	281.43%	288.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

Note 5: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)***

	<u>Year Ended December 31,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 9,743,744.00	\$ 8,255,576.00	\$ 7,758,829.00	\$ 7,212,370.00	\$ 7,434,709.00
Contribution in Relation to the Contractually Required Contribution	<u>(9,743,744.00)</u>	<u>(8,255,576.00)</u>	<u>(7,758,829.00)</u>	<u>(7,212,370.00)</u>	<u>(7,434,709.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 54,179,843.00	\$ 54,706,135.00	\$ 51,247,300.00	\$ 49,489,036.00	\$ 50,993,128.00
Contributions as a Percentage of Covered Payroll	17.98%	15.09%	15.14%	14.57%	14.58%
	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 6,818,993.00	\$ 6,391,991.00	\$ 6,507,270.00	\$ 6,270,286.00	\$ 5,564,151.00
Contribution in Relation to the Contractually Required Contribution	<u>(6,818,993.00)</u>	<u>(6,391,991.00)</u>	<u>(6,507,270.00)</u>	<u>(6,270,286.00)</u>	<u>(5,564,151.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 50,301,180.00	\$ 48,595,668.00	\$ 47,569,851.00	\$ 49,554,213.00	\$ 49,754,210.00
Contributions as a Percentage of Covered Payroll	13.56%	13.15%	13.68%	12.65%	11.18%

Note 5: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Ten Plan Years)***

	Measurement Date Ended June 30,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.3914636900%	0.3953212419%	0.4142113074%	0.4263411370%	0.4177385712%
Proportionate Share of the Net Pension Liability	\$ 44,808,328.00	\$ 28,894,631.00	\$ 53,521,564.00	\$ 52,174,856.00	\$ 56,526,915.00
State's Proportionate Share of the Net Pension Liability	7,974,569.00	8,126,609.00	8,306,303.00	8,238,509.00	7,678,247.00
Total	<u>\$ 52,782,897.00</u>	<u>\$ 37,021,240.00</u>	<u>\$ 61,827,867.00</u>	<u>\$ 60,413,365.00</u>	<u>\$ 64,205,162.00</u>
Covered Payroll (Plan Measurement Period)	\$ 13,941,636.00	\$ 13,790,488.00	\$ 14,196,812.00	\$ 14,131,028.00	\$ 13,667,096.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	321.40%	209.53%	377.00%	369.22%	413.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.33%	77.26%	63.52%	65.00%	62.48%
	Measurement Date Ended June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.4079197408%	0.4053644609%	0.4132599510%	0.5138781354%	0.5174218952%
Proportionate Share of the Net Pension Liability	\$ 62,974,922.00	\$ 77,434,981.00	\$ 68,834,702.00	\$ 64,641,103.00	\$ 68,786,572.00
State's Proportionate Share of the Net Pension Liability	7,053,722.00	6,502,618.00	6,036,572.00	6,960,761.00	6,411,744.00
Total	<u>\$ 70,028,644.00</u>	<u>\$ 83,937,599.00</u>	<u>\$ 74,871,274.00</u>	<u>\$ 71,601,864.00</u>	<u>\$ 75,198,316.00</u>
Covered Payroll (Plan Measurement Period)	\$ 13,249,284.00	\$ 12,745,580.00	\$ 13,217,456.00	\$ 16,486,436.00	\$ 16,106,772.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	475.31%	607.54%	520.79%	392.09%	427.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%	62.41%	58.70%

Note 5: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Ten Years)***

	<u>Year Ended December 31,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 5,091,194.00	\$ 4,607,328.00	\$ 4,627,448.00	\$ 4,306,517.00	\$ 4,084,010.00
Contribution in Relation to the Contractually Required Contribution	(5,091,194.00)	(4,607,328.00)	(4,627,448.00)	(4,306,517.00)	(4,084,010.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 13,983,874.00	\$ 13,746,322.00	\$ 14,036,370.00	\$ 14,000,022.00	\$ 14,138,530.00
Contributions as a Percentage of Covered Payroll	36.41%	33.52%	32.97%	30.76%	28.89%
	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 3,610,165.00	\$ 3,305,101.00	\$ 3,359,187.00	\$ 3,946,939.00	\$ 3,774,995.00
Contribution in Relation to the Contractually Required Contribution	(3,610,165.00)	(3,305,101.00)	(3,359,187.00)	(3,946,939.00)	(3,774,995.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 13,681,569.00	\$ 13,211,921.00	\$ 12,916,511.00	\$ 13,315,299.00	\$ 14,683,811.00
Contributions as a Percentage of Covered Payroll	26.39%	25.02%	26.01%	29.64%	25.71%

Note 5: 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, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes in Assumptions

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%
2018	5.66%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

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

None.

Changes in Assumptions

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%
2019	6.85%	2014	6.32%	2019	7.00%	2014	7.90%
2018	6.51%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

Note 6: COMPENSATED ABSENCES

Employees of the County are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. Employees are represented by a number of labor unions, and each contract contains provisions for such employee compensated absences.

The accumulated cost of unused sick and vacation time has not been recorded in the financial statements as presented, however at December 31, 2023, it is calculated that accrued unused sick and vacation time payable are valued at \$3,554,995.00.

The County has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2023, the balance of the fund was \$13,323.18.

Note 7: 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 8: OBLIGATIONS UNDER GCIA FINANCING

The County acquired certain equipment and improvements under Gloucester County Improvement Authority (GCIA) Financing. Financing is for terms of ten to twenty years and interest rates ranging from 1.48% to 5.00%. The following is a schedule of the future minimum payments under GCIA Financing, and the present value of the net minimum payments at December 31, 2023.

<u>General Capital Fund</u>	<u>Amount</u>
Year Ending December 31,	
2024	\$ 2,745,776
2025	2,681,131
2026	2,677,737
2027	2,205,069
2028	2,200,225
2029-2030	<u>4,406,000</u>
Total minimum GCIA Financing payments	16,915,938
Less amount representing interest	<u>2,080,938</u>
Present value of net minimum GCIA Financing payments	<u>\$ 14,835,000</u>

Note 9: CAPITAL DEBT**General Debt – Serial Bonds**

General Obligation Bonds Series 2013 – On June 28, 2013, the County issued \$25,580,000.00 of General Obligation bonds with interest rates ranging from 1.00% to 3.00%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2028.

County College Bonds Series 2014 – On June 27, 2014, the County issued \$2,125,000.00 of County College bonds with interest rates ranging from 1.50% to 2.50%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2024.

County College Bonds Series 2014 State Share – On June 27, 2014, the County issued \$2,125,000.00 of County College bonds with interest rates ranging from 1.50% to 2.50%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2024.

County College Bonds Series 2014 Building our Future – On June 27, 2014, the County issued \$4,997,000.00 of County College bonds with interest rates ranging from 1.50% to 2.50%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2024.

General Obligation Bonds Series 2015 – On June 25, 2015, the County issued \$4,301,000.00 of General Obligation bonds with interest rates ranging from 2.00% to 3.00%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2025.

County College Bonds Series 2015 – On June 25, 2015, the County issued \$1,600,000.00 of County College bonds with interest rates ranging from 1.00% to 3.25%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2030.

County College Bonds Series 2015 State Share – On June 25, 2015, the County issued \$1,600,000.00 of County College bonds with interest rates ranging from 1.00% to 3.25%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2030.

General Obligation Bonds Series 2016 – On May 24, 2016, the County issued \$5,445,000.00 of General Obligation bonds with interest rates ranging from 1.00% to 2.00%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2027.

County College Bonds Series 2016 – On May 24, 2016, the County issued \$1,500,000.00 of County College bonds with interest rates ranging from 2.00% to 2.375%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2031.

County College Bonds Series 2016 State Share – On May 24, 2016, the County issued \$1,500,000.00 of County College bonds with interest rates ranging from 2.00% to 2.375%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2031.

General Obligation Bonds Series 2017 – On May 31, 2017, the County issued \$8,377,000.00 of General Obligation bonds with interest rates ranging from 2.00% to 2.50%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2028.

County College Bonds Series 2017 – On May 31, 2017, the County issued \$1,450,000.00 of County College bonds with interest rates ranging from 2.00% to 3.125%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2032.

County College Bonds Series 2017 State Share – On May 31, 2017, the County issued \$1,450,000.00 of County College bonds with interest rates ranging from 2.00% to 3.125%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2032.

Note 9: CAPITAL DEBT (CONT'D)**General Debt – Serial Bonds (Cont'd)**

County College Bonds Series 2017 Building our Future – On May 31, 2017, the County issued \$2,500,000.00 of County College bonds with interest rates ranging from 1.00% to 2.50%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2027.

General Obligation Refunding Bonds Series 2017B Open Space – On August 9, 2017, the County issued \$19,915,000.00 of General Obligation Refunding Bonds with interest rates ranging from 3.00% to 4.00%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of the bonds is October 15, 2029.

General Obligation Bonds Series 2018 – On May 16, 2018, the County issued \$17,427,000.00 of General Obligation bonds with interest rates ranging from 3.00% to 3.25%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is April 1, 2033.

County College Bonds Series 2018 – On May 16, 2018, the County issued \$1,600,000.00 of County College bonds with interest rates ranging from 3.00% to 3.375%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is April 1, 2033.

County College Bonds Series 2018 State Share – On May 16, 2018, the County issued \$1,600,000.00 of County College bonds with interest rates ranging from 3.00% to 3.375%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is April 1, 2033.

General Obligation Bonds Series 2019 – On May 2, 2019, the County issued \$30,492,000.00 of General Obligation bonds with interest rates ranging from 2.50% to 2.75%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2034.

County College Bonds Series 2019 – On May 2, 2019, the County issued \$3,250,000.00 of County College bonds with interest rates ranging from 2.00% to 3.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2034.

County College Bonds Series 2019 State Share – On May 2, 2019, the County issued \$3,250,000.00 of County College bonds with interest rates ranging from 2.00% to 3.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2034.

General Obligation Refunding Bonds Series 2019 – On September 18, 2019, the County issued \$14,880,000.00 of General Obligation Refunding Bonds with interest rates ranging from 4.00% to 5.00%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of the bonds is September 15, 2025.

General Obligation Bonds Series 2020 – On June 25, 2020, the County issued \$15,507,000.00 of General Obligation bonds with interest rates ranging from 0.25% to 3.00%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2029.

General Obligation Bonds Series 2021 – On May 13, 2021, the County issued \$16,495,000.00 of General Obligation bonds with an interest rate of 2.00%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2031.

County College Bonds Series 2021 – On May 13, 2021, the County issued \$4,300,000.00 of County College bonds with interest rates ranging from 2.00% to 3.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2036.

County College Bonds Series 2021 State Share – On May 13, 2021, the County issued \$4,300,000.00 of County College bonds with interest rates ranging from 2.00% to 3.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2036.

Note 9: CAPITAL DEBT (CONT'D)**General Debt – Serial Bonds (Cont'd)**

General Obligation Refunding Bonds Series 2021 – On December 2, 2021, the County issued \$9,470,000.00 of General Obligation Refunding Bonds with an interest rate of 5.00%. The purpose of the bonds was to refund debt issued in a prior period. The final maturity of the bonds is March 1, 2027.

General Obligation Bonds Series 2022 – On June 10, 2022, the County issued \$3,900,000.00 of General Obligation bonds with interest rates ranging from 4.00% to 5.00%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2034.

County College Bonds Series 2022 Building our Future – On June 10, 2022, the County issued \$7,960,000.00 of County College bonds with interest rates ranging from 4.00% to 5.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2042.

County College Bonds Series 2022 – On June 10, 2022, the County issued \$2,496,000.00 of County College bonds with interest rates ranging from 4.00% to 5.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2042.

County College Bonds Series 2022 State Share – On June 10, 2022, the County issued \$2,496,000.00 of County College bonds with interest rates ranging from 4.00% to 5.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2042.

General Obligation Bonds Series 2023 – On May 10, 2023, the County issued \$3,210,000.00 of General Obligation bonds with interest rates ranging from 3.00% to 4.00%. The purpose of the bonds was to fund various capital projects in the County. The final maturity of the bonds is March 1, 2032.

County College Bonds Series 2023 – On May 10, 2023, the County issued \$1,882,500.00 of County College bonds with interest rates ranging from 3.00% to 4.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2038.

County College Bonds Series 2023 State Share – On May 10, 2023, the County issued \$1,882,500.00 of County College bonds with interest rates ranging from 3.00% to 4.00%. The purpose of the bonds was to fund various capital projects at the College. The final maturity of the bonds is March 1, 2038.

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

General Debt - Serial Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 21,760,000	\$ 4,245,597	\$ 26,005,597
2025	18,745,000	3,542,806	22,287,806
2026	15,840,000	2,976,825	18,816,825
2027	16,245,000	2,541,856	18,786,856
2028	14,875,000	2,095,413	16,970,413
2029-2033	43,980,000	5,367,831	49,347,831
2034-2038	10,350,000	1,305,522	11,655,522
2039-2043	3,295,000	284,559	3,579,559
	<u>\$ 145,090,000</u>	<u>\$ 22,360,409</u>	<u>\$ 167,450,409</u>

Note 9: CAPITAL DEBT (CONT'D)**General Debt – GCIA Loans Payable**

In 2015, the County entered into a \$46,610,000.00 loan agreement through the Gloucester County Improvement Authority (GCIA) with interest rates ranging from 3.00% to 5.00%. The purpose of the original loan from 2008 was to fund various capital projects in the County. The final maturity of the loan is April 1, 2033.

In 2016, the County entered into a \$22,770,000.00 loan agreement through the Gloucester County Improvement Authority (GCIA) with an interest rate 4.00%. The purpose of the original loan from 2008 was to fund various capital projects in the County. The final maturity of the loan is April 1, 2038.

In 2020, the County entered into a \$27,875,000.00 loan agreement through the Gloucester County Improvement Authority (GCIA) with interest rates ranging from 3.00% to 5.00%. The purpose of the loan was to fund various capital projects at the County's Special Services and Institute of Technology Schools. The final maturity of the loan is May 15, 2035.

The following schedule represents the remaining debt service, through maturity, for the GCIA loans payable:

General Debt - GCIA Loans Payable

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,320,000	\$ 3,404,050	\$ 7,724,050
2025	4,530,000	3,191,000	7,721,000
2026	4,760,000	2,958,750	7,718,750
2027	4,975,000	2,746,175	7,721,175
2028	5,165,000	2,555,225	7,720,225
2029-2033	28,720,000	8,861,175	37,581,175
2024-2038	26,970,000	2,528,300	29,498,300
	<u>\$ 79,440,000</u>	<u>\$ 26,244,675</u>	<u>\$ 105,684,675</u>

Note 9: CAPITAL DEBT (CONT'D)

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

<u>Issued</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General:			
Bonds, Loans and Notes	\$ 224,530,000	\$ 243,337,000	\$ 255,305,000
 <u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes		125	
Total Issued and Authorized but not Issued	<u>224,530,000</u>	<u>243,337,125</u>	<u>255,305,000</u>
 <u>Deductions</u>			
General:			
Accounts Receivable Chapter 12	14,687,500	13,983,500	12,940,000
Funds Temporarily Held to Pay Bonds and Notes	<u>3,353,265</u>	<u>3,294,255</u>	<u>2,938,532</u>
Total Deductions	<u>18,040,765</u>	<u>17,277,755</u>	<u>15,878,532</u>
 Net Debt	 <u><u>\$ 206,489,235</u></u>	 <u><u>\$ 226,059,370</u></u>	 <u><u>\$ 239,426,468</u></u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .609%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Debt Guaranteed by the County	\$ 110,308,418	\$ 110,308,418	
General Debt	<u>224,530,000</u>	<u>18,040,765</u>	<u>\$ 206,489,235</u>
	<u><u>\$ 334,838,418</u></u>	<u><u>\$ 128,349,183</u></u>	<u><u>\$ 206,489,235</u></u>

Net debt \$206,489,235 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$33,919,328,068, equals .609%.

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

2% of Equalized Valuation Basis (County)	\$ 678,386,561
Less: Net Debt	<u>206,489,235</u>
Remaining Borrowing Power	<u><u>\$ 471,897,326</u></u>

Note 10: DEBT SERVICE AGREEMENTS

The County guarantees the Gloucester County Utilities Authority and Gloucester County Improvement Authority Debt. At December 31, 2023, guaranteed debt is as follows:

Gloucester County Utilities Authority		\$	59,058,555
Gloucester County Improvement Authority:			
County of Gloucester GCIA Financing Payable	\$	14,835,000	
Nurising Home		4,005,000	
Landfill		32,379,863	
Other		30,000	
			<u>51,249,863</u>
Total		\$	<u>110,308,418</u>

Note 11: INSURANCE COMMISSION

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

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 which can be obtained from:

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

Note 12: OPEN SPACE, RECREATION, FARMLAND & HISTORIC PRESERVATION TRUST FUND

In November 2004, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of Gloucester County authorized the establishment of the Gloucester County Open Space, Recreation, Farmland & Historic Preservation Trust Fund, 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 3.3 cents per one hundred dollars of equalized valuation. Amounts raised by taxation are apportioned by the County Board of Taxation among the municipalities in accordance with N.J.S.A. 54:4-9 and are assessed, levied, and collected in the same manner and at the same time as other County taxes. All revenue received is accounted for in a Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated.

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB 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, 2023 was not available; therefore, the information from the measurement period June 30, 2022 is disclosed below.

General Information about the State Health Benefit Local Government Retired Employees Plan

Plan Description and Benefits Provided - 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") annual financial statements, 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 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees 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.

The County was billed monthly by the Plan and paid \$8,434,631.20, for the year ended December 31, 2022, representing 12.37% of the County's covered payroll. During the year ended December 31, 2022, retirees were required to contribute \$234,723.47 to the Plan.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997. 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, these employers are 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 local participating employers do 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 notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to disclose in their respective notes to the financial statements, an expense and corresponding revenue, and their proportionate share of the OPEB expense allocated to the State under the special funding situation.

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 expense, on-behalf of the County, is \$(67,318.00) for the year ended December 31, 2022, representing -0.10% of the County's covered payroll.

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

OPEB Liability - At December 31, 2022, the County's and State's proportionate share of the net OPEB liability were as follows:

Proportionate Share of Net OPEB Liability	\$ 239,079,580.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Employer	410,424.00
	<u>\$ 239,490,004.00</u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

The County's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the County's proportion was 1.480406%, which was an increase of .015163% from its proportion measured as of the June 30, 2021 measurement date, as adjusted.

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, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the State's proportion on-behalf of the County was .012165%, which was an increase of .000194% from its proportion measured as of the June 30, 2021 measurement date, as adjusted.

OPEB (Benefit) Expense - At December 31, 2022, the County's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date, is \$3,541,928.00. 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, 2022, the County made contributions to the Plan totaling \$8,434,631.20.

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2022, the County had deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 12,346,325.00	\$ 44,315,192.00
Changes of Assumptions	31,906,161.00	81,593,251.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	62,939.00	-
Changes in Proportion	36,645,173.00	17,254,657.00
Contributions Subsequent to the Measurement Date	4,251,807.05	-
	<u>\$ 85,212,405.05</u>	<u>\$ 143,163,100.00</u>

Deferred outflows of resources in the amount of \$4,251,807.05 will be included as a reduction of the County's net OPEB liability during the year ending December 31, 2023. The County will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<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			Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2018	-	8.14	June 30, 2018	5.00	-
June 30, 2019	-	8.05	June 30, 2019	5.00	-
June 30, 2020	7.87	-	June 30, 2020	5.00	-
June 30, 2021	-	7.82	June 30, 2021	5.00	-
June 30, 2022	7.82	-	June 30, 2022	5.00	-
Changes of Assumptions			Changes in Proportion		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04	June 30, 2017	8.04	8.04
June 30, 2018	-	8.14	June 30, 2018	8.14	8.14
June 30, 2019	-	8.05	June 30, 2019	8.05	8.05
June 30, 2020	7.87	-	June 30, 2020	7.87	7.87
June 30, 2021	7.82	-	June 30, 2021	7.82	7.82
June 30, 2022	-	7.82	June 30, 2022	7.82	7.82

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (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 the OPEB liability will be recognized in future periods as follows:

Year Ending Dec. 31,	
2023	\$ (20,390,361.00)
2024	(20,409,486.00)
2025	(12,918,922.00)
2026	(3,852,007.00)
2027	4,123,157.00
Thereafter	<u>(8,754,883.00)</u>
	<u>\$ (62,202,502.00)</u>

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases *

PERS - Rates for all future years	2.75% to 6.55% based on years of service
PFRS - Rates for all future years	3.25% to 16.25% based on years of service

Mortality:

PERS - Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
PFRS - Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

* salary increases are based on years of service within the respective Plan

Actuarial assumptions used in the valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions (Cont'd)**

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "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, 2022 was 3.54%. 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 - The health care trend assumptions used is as follows:

Fiscal Year Ending	Annual Rate of Increase			
	Medical Trend			Prescription Drug Trend
	Pre-65	PPO Post-65	HMO Post-65	
2023	6.25%	-1.89%	-1.99%	8.00%
2024	6.00%	-6.00%	-6.15%	7.50%
2025	5.75%	6.99%	7.02%	7.00%
2026	5.50%	15.04%	15.18%	6.50%
2027	5.25%	13.00%	13.11%	6.00%
2028	5.00%	11.47%	11.56%	5.50%
2029	4.75%	10.27%	10.35%	5.00%
2030	4.50%	9.29%	9.35%	4.50%
2031	4.50%	8.50%	8.55%	4.50%
2032	4.50%	6.25%	6.27%	4.50%
2033 and Later	4.50%	4.50%	4.50%	4.50%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability, calculated using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease <u>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
Proportionate Share of the Net OPEB Liability	\$ 277,141,362.00	\$ 239,079,580.00	\$ 208,455,315.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	475,764.00	410,424.00	357,852.00
	<u>\$ 277,617,126.00</u>	<u>\$ 239,490,004.00</u>	<u>\$ 208,813,167.00</u>

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate**

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Proportionate Share of the Net OPEB Liability	\$ 202,818,406.00	\$ 239,079,580.00	\$ 285,519,934.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>348,175.00</u>	<u>410,424.00</u>	<u>490,147.00</u>
	<u>\$ 203,166,581.00</u>	<u>\$ 239,490,004.00</u>	<u>\$ 286,010,081.00</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.

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information**

In accordance with GASBS No. 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 Proportionate Share of the Net OPEB Liability (Last Six Plan Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	1.480406%	1.465243%	1.376205%
Proportionate Share of the Net OPEB Liability	\$ 239,079,580.00	\$ 263,740,715.00	\$ 246,982,185.00
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>410,424.00</u>	<u>462,243.00</u>	<u>33,276,569.00</u>
Total	<u>\$ 239,490,004.00</u>	<u>\$ 264,202,958.00</u>	<u>\$ 280,258,754.00</u>
Covered Payroll (Plan Measurement Period)	\$ 68,588,011.00	\$ 68,357,713.00	\$ 62,919,142.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	348.57%	385.82%	392.54%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	-0.36%	0.28%	0.91%
	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the Net OPEB Liability	1.251887%	1.347969%	1.325813%
Proportionate Share of the Net OPEB Liability	\$ 169,581,503.00	\$ 211,181,156.00	\$ 270,675,181.00
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>27,617,487.00</u>	<u>33,675,806.00</u>	<u>47,171,051.00</u>
Total	<u>\$ 197,198,990.00</u>	<u>\$ 244,856,962.00</u>	<u>\$ 317,846,232.00</u>
Covered Payroll (Plan Measurement Period)	\$ 64,389,231.00	\$ 64,880,115.00	\$ 62,841,972.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	263.37%	325.49%	430.72%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

Note 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)****Schedule of the Contributions (Last Six Years)**

	<u>Year Ended December 31,</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Required Contributions	\$ 8,434,631.20	\$ 6,835,127.85	\$ 6,006,772.78
Actual Contributions in Relation to the Required Contribution	<u>(8,434,631.20)</u>	<u>(6,835,127.85)</u>	<u>(6,006,772.78)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 68,163,717.00	\$ 68,452,457.00	\$ 65,283,670.00
Contributions as a Percentage of Covered Payroll	12.37%	9.99%	9.20%
	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Required Contributions	\$ 6,013,097.26	\$ 9,197,921.79	\$ 9,299,877.15
Actual Contributions in Relation to the Required Contribution	<u>(6,013,097.26)</u>	<u>(9,197,921.79)</u>	<u>(9,299,877.15)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 63,489,058.00	\$ 65,131,658.00	\$ 63,982,749.00
Contributions as a Percentage of Covered Payroll	9.47%	14.12%	14.53%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, included changes due to employers adopting and /or changing Chapter 48 provisions.

Changes in Assumptions - The discount rate used as of the June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated experience study.

There were no changes to mortality projections.

Note 14: LEASE LIABILITY AND LEASE ASSET

The County, as lessee, has entered into the following leases which meet the requirements of GASB 87:

Copiers - The County is leasing copiers with a total lease liability of \$301,458.36. The leases began in 2022 and 2023 and are for a term of four years. The implied interest rate is based on the County's estimated incremental borrowing rate of 3.50%. The leases are not expected to be renewed at the expiration of the lease agreements. Based on these leases, the County is making payments through November 30, 2026. The County paid \$74,716.69 of lease payments during the year ended December 31, 2023.

Equipment - The County is leasing golf carts with a total lease liability of \$336,756.78. The leases began in 2023 and are for a term of three years. The interest rate is 3.80%. The leases are not expected to be renewed at the expiration of the lease agreements. Based on these leases, the County is making payments through December 31, 2025. The County paid \$110,362.26 of lease payments during the year ended December 31, 2023.

Building Space - The County is leasing building space with a total lease liability of \$1,636,936.89. The leases began in 2020 and 2023 and are for a term of five and ten years. The implied interest rate is based on the County's estimated incremental borrowing rate of 3.00-3.50%. It is not known at this time if the leases will be renewed at the expiration of the lease agreements. Based on these leases, the County is making payments through October 31, 2030. The County paid \$183,374.36 of lease payments during the year ended December 31, 2023.

Under the provisions of GASB 87, as of December 31, 2023, the total balance of the lease liability is \$1,479,510.11, and the total balance of the related right to use leased assets are \$1,410,632.72. The leases are summarized as follows:

<u>Description</u>	<u>2023</u>	
	<u>Lease Liability</u>	<u>Lease Asset</u>
Building	\$ 259,274.62	\$ 256,921.49
Equipment - Copiers	176,680.88	167,209.37
Building	826,368.18	767,801.54
Equipment - Golf Carts	217,186.43	218,700.32
	<u>\$ 1,479,510.11</u>	<u>\$ 1,410,632.72</u>

As a result of the regulatory basis of accounting previously described in note 1, the County has not reported a lease liability or right to use leased assets.

Under the provision of GASB 87, annual requirements to amortize the total lease obligations and related interest are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 328,077.41	\$ 46,174.40	\$ 374,251.81
2025	343,711.52	34,389.89	378,101.41
2026	208,882.62	24,072.85	232,955.47
2027	185,124.95	17,663.96	202,788.91
2028	165,699.20	11,504.66	177,203.86
2029	133,308.80	6,555.52	139,864.32
2030	114,705.61	1,848.10	116,553.71
	<u>\$1,479,510.11</u>	<u>\$ 142,209.38</u>	<u>\$1,621,719.49</u>

Note 14: LEASE LIABILITY AND LEASE ASSET (CONT'D)

Under the provision of GASB 87, for the year ended December 31, 2023, the County would have recognized \$318,696.69 in amortization of total lease liability and \$49,756.62 in total interest on leases.

As a result of the regulatory basis of accounting previously described in note 1, for the year ended December 31, 2023, rental payments of approximately \$368,453.31 were paid.

Note 15: 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 16: CONTINGENCIES

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

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

Note 17: 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>
Various Capital Improvements/Chapter 12	2/21/2024	\$ 17,556,781

APPENDIX C
Form of the Indenture and Form of Loan Agreement

TRUST INDENTURE

between

THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY

and

**TD BANK, NATIONAL ASSOCIATION
as Trustee**

Dated as of September 1, 2024

Relating to:

**\$ _____
The Gloucester County Improvement Authority
County General Obligation Loan Revenue Bonds
(Health Sciences Educational Facilities Projects), Series 2024**

TRUST INDENTURE

This **TRUST INDENTURE** ("Indenture"), dated as of September 1, 2024, between **THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**, a public body corporate and politic of the State of New Jersey ("Authority"), and **TD BANK, NATIONAL ASSOCIATION**, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, with trust and fiduciary powers in the State of New Jersey, being duly qualified to accept and administer the trusts created hereby ("Trustee").

WITNESSETH:

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

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

WHEREAS, the Authority has determined, pursuant to the Act, to finance the 2024 Project (as hereinafter defined), all as more particularly described in Exhibit G to the Loan Agreement (as hereinafter defined); and

WHEREAS, all actions necessary and required under the Act for the approval of the 2024 Project, including, without limitation, obtaining the consent of the County to undertake the financing of the 2024 Project with the proceeds of the Series 2024 Bonds (as hereinafter defined) and the review of and consent to such financing by the Local Finance Board of the Division of Local Government Services, State Department of Community Affairs ("Local Finance Board"), have been taken prior to the issuance of the Series 2024 Bonds; and

WHEREAS, the Authority will, pursuant to the Act, provide for the financing of the Costs (as hereinafter defined) of the 2024 Project by the issuance of its Series 2024 Bonds and the lending of the proceeds thereof to the County pursuant to the terms and conditions set forth herein and in the Loan Agreement; and

WHEREAS, pursuant to the terms of the Loan Agreement, the County is required to make the Loan Payments (as hereinafter defined) to the Authority on each Loan Payment Date (as hereinafter defined) in an amount equal to the debt service on the Series 2024 Bonds due on the immediately succeeding Interest Payment Date (as hereinafter defined) or Principal Installment Date (as hereinafter defined), as the case may be; and

WHEREAS, the County has authorized the performance of its obligations under the Loan Agreement and the Continuing Disclosure Agreement (as hereinafter defined) through the adoption of the Loan Ordinance (as hereinafter defined); and

WHEREAS, the Series 2024 Bonds shall be special, limited obligations of the Authority, payable solely from and secured by its interest in the Pledged Property (as defined herein), including: (i) the Revenues (as defined herein) received from the County pursuant to the Loan Agreement; (ii) the Funds and Accounts (as each term is defined herein) established hereunder (other than the Rebate Fund), including Investment Securities (as defined herein) held in any such Funds or Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Series 2024 Bonds in accordance with the terms and provisions of this Indenture; and

WHEREAS, all things necessary to make the Series 2024 Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, legal and binding obligations of the Authority and to constitute this Indenture a valid, legal and binding agreement and pledge of the property, rights, interests and revenues herein pledged and assigned, have been done and performed, and the execution and delivery of this Indenture and the issuance and delivery of the Series 2024 Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds (as defined herein) by the Owners (as defined herein) thereof, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the principal of, redemption premium, if any, and interest on all of the Bonds issued and Outstanding (as defined herein) under this Indenture from time to time according to their tenor and effect, and to secure the performance and observance by the Authority of all the covenants, agreements and conditions herein and in the Bonds contained, the Authority does hereby transfer, pledge and assign to the Trustee and its successors and assigns in trust forever, and does hereby grant a security interest unto the Trustee and its successors in trust and its assigns, in the Pledged Property, including any and all other property (real, personal or mixed) of every kind and nature from time to time hereafter by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the Authority or by anyone in its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD, with all rights and privileges hereby transferred, pledged, assigned and/or granted or agreed or intended so to be, to the Trustee and its successors and assigns in trust forever;

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future holders of the Bonds, without preference, priority or distinction as to

participation in the lien, benefit and protection hereof of one bond over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided;

PROVIDED, NEVERTHELESS, and these presents are upon the express condition that, if the Authority or its successors or assigns shall well and truly pay or cause to be paid the principal of such Bonds with interest, according to the provisions set forth in the Bonds or shall provide for the payment or redemption of such Bonds by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable hereunder by the Authority then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Authority and upon the payment of the costs and expenses thereof, shall duly execute, acknowledge and deliver to the Authority such instruments of satisfaction or release as may be necessary or proper to discharge this Indenture of record, and if necessary shall grant, reassign and deliver to the Authority, its successors or assigns, all the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force and effect.

NOW, THEREFORE, it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and that all the Pledged Property is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority does hereby agree and covenant with the Trustee and with the respective Owners from time to time of the Bonds, as their interests may appear, as follows:

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ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

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

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

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

Accrued Aggregate Debt Service shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service, calculating the accrued Debt Service as an amount equal to the sum of: (i) interest on the Bonds accrued and unpaid and to accrue to the end of the then current calendar month; and (ii) Principal Installments due and unpaid and that portion of the Principal Installment next due which would have accrued (if deemed to accrue in the manner set forth in the definition of "Debt Service") to the end of such calendar month.

Acquisition Fund shall mean the Fund so designated, created and established pursuant to Section 502(1) of this Indenture.

Act shall have the meaning set forth in the Recitals to this Indenture.

Additional Loan Payments shall mean any and all amounts payable by the County to the Authority pursuant to the Loan Agreement including, but not limited to, Section 5.02(B) of the Loan Agreement representing additional Costs of the 2024 Project undertaken by the County pursuant to Section 4.11 of the Loan Agreement, the annual Trustee's fee and annual Authority Administrative Expenses, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, and all direct and indirect costs and expenses incurred by the Authority related to the enforcement of this Indenture and the Loan Agreement, including reasonable attorneys' fees related hereto and thereto.

Aggregate Debt Service for any period shall mean, as of any date of calculation, the aggregate Debt Service for such period with respect to all Bonds Outstanding or to be (or assumed to be) Outstanding during such period.

Annual Authority Administrative Fee shall mean the annual fee for the general administrative expenses of the Authority for: (i) the Series 2024 Bonds in the amount of \$ _____; and (ii) any other Series of Bonds issued under any Supplemental Indenture, the amount as set forth in such Supplemental Indenture.

Article shall mean a specified Article hereof, unless otherwise indicated.

Authority shall have the meaning set forth in the Recitals to this Bond Resolution.

Authority Administrative Expenses shall mean any and all expenses of the Authority and its agents, professionals and employees incurred or to be incurred by or on behalf of the Authority in the administration of its responsibilities under this Indenture, the Guaranty and the Loan Agreement, as applicable, including, but not limited to: (i) the Initial Authority Financing Fee; (ii) the Annual Authority Administrative Fee; (iii) the Project Management Fee with respect to the 2024 Project, if any; (iv) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of any Bonds, the financing of the 2024 Project or the compelling of the full and punctual performance of this Indenture and the Loan Agreement in accordance with the terms hereof and thereof; (v) all fees and expenses including, but not limited to, indemnification expenses, if any, of counsel, auditors, insurers, Fiduciaries, and others; (vi) the Authority's construction monitoring fee, if any; and (vii) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Bond Registrar, the Trustee or any or all Fiduciaries in connection with the performance of their respective fiduciary responsibilities under this Indenture and the Loan Agreement, all to the extent not capitalized pursuant to the requirements of this Indenture, which Authority Administrative Expenses shall be paid as Additional Loan Payments by the County.

Authorized Authority Representative shall mean any Person or Persons authorized to act on behalf of the Authority by a written certificate signed on behalf of the Authority by the Chairman or Vice Chairman of the Authority containing the specimen signature of each such Person.

Authorized County Representative shall mean any Person or Persons authorized to act on behalf of the County as shall be set forth in a written certificate signed on behalf of the County by the Director or Deputy Director of the Board of County Commissioners, which form of certificate is set forth as Exhibit D to the Loan Agreement and incorporated by reference therein.

Authorized Denominations shall mean with respect to any Series of Bonds, \$5,000 or any integral multiple of \$5,000.

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

Bond or **Bonds** shall mean, collectively: (i) the Series 2024 Bonds issued pursuant to Sections 201, 202 and 203 of this Indenture to provide funds to finance the Costs of the 2024 Project; and (ii) any Series of Refunding Bonds.

Bond Counsel shall mean the law firm of Parker McCay P.A., Mount Laurel, New Jersey, or any other lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Authority and acceptable to the Trustee.

Bondholder, Holder, Holder of Bonds or **Owner** shall mean any Person who shall be the Registered Owner of any Bond or Bonds.

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

Bond Resolution shall mean the resolution adopted by the Authority on July 18, 2024, entitled, "RESOLUTION OF THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$30,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE AUTHORITY'S COUNTY GENERAL OBLIGATION LOAN REVENUE BONDS (ROWAN UNIVERSITY NURSING AND PHYSICIAN ASSISTANT PROGRAM PROJECTS), Series 2024, IN ONE OR MORE SERIES, ON A TAX-EXEMPT OR TAXABLE BASIS; MAKING CERTAIN DETERMINATIONS AND APPROVALS WITH RESPECT TO SAID BONDS; AND AUTHORIZING CERTAIN ACTIONS," as the same may be amended, modified and supplemented in accordance with the provisions thereof.

Bond Year shall mean, with respect to the Series 2024 Bonds, each 1-year period that ends on the day that is selected by the Authority. The first and last Bond Years may be short periods. If no day is selected by the Authority before the earlier of the final maturity date of the Series 2024 Bonds or the date that is five (5) years after the Issue Date in the case of the Series 2024 Bonds, Bond Years shall end on each anniversary of the Issue Date and on the final maturity date of the Series 2024 Bonds. For each Series of Refunding Bonds, the Bond Year shall be designated in the Supplemental Indenture pursuant to which such Series of Refunding Bonds is issued.

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

Cede shall have the meaning set forth in Section 204(a) hereof.

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

Completion Certificate shall mean the certificate described in Section 4.05 of the Loan Agreement, executed by the County, wherein, with respect to the 2024 Project, the County certifies as to such matters as the Authority shall require, and which certificate further satisfies the requirements of Section 503(4) hereof.

Completion Date shall mean the date of completion of the 2024 Project as stated in the County's Completion Certificate described in Section 4.05 of the Loan Agreement.

Continuing Disclosure Agreement shall have the meaning set forth in Section 820 of this Indenture.

Cost or **Costs** shall mean and shall be deemed to include, with respect to the 2024 Project (or any portion thereof), together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of the Loan Agreement, (a) the costs of payment of, or reimbursement for, the acquisition, construction, equipping and furnishing of the 2024 Project including, but not limited to, environmental or remediation costs, advances or progress payments, appraisals, engineering, design, site work, surveys, title insurance, demolition, acquisition costs, construction and equipment costs, installation costs, administrative costs and capital expenditures relating to the 2024 Project, capitalized interest, financing payments, sales taxes, excise taxes, property taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs, fees and charges of the Trustee pursuant to the Indenture, financing documents, legal fees and charges, all financial, accounting and other professional consultant fees, the Initial Authority Financing Fee for a particular Series of Bonds, all professional and consulting fees and charges of the Authority, including but not limited to the Project Management Fee for the 2024 Project, if any, and of the County, costs of rating agencies, bond insurance, bond insurers or credit ratings, fees for the printing, execution, transportation and safekeeping of any Series of Bonds, and any charges and fees in connection with any of the foregoing, subject to any limitations as to amount imposed by the provisions of the Code; (b) all other costs which the County or the Authority shall be required to pay under the terms of any contract or contracts for the acquisition, construction, equipping and furnishing of the 2024 Project including, but not limited to, the cost of insurance; (c) any sums required to reimburse the County for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the 2024 Project; (d) deposits in any Fund or Account under this Indenture, all as shall be provided in this Indenture; and (e) such other expenses not specified herein or in the Indenture as may be necessary or incidental to the acquisition, construction, equipping and furnishing of the 2024 Project, the financing thereof and the placing of the same in use and operation. Cost as defined herein shall be deemed to include the costs and expenses incurred by any agent of the Authority or the County for any of the above-mentioned items or in connection with the administration and enforcement of this Indenture, the Continuing Disclosure Agreement and the Loan Agreement.

County shall have the meaning set forth in the Recitals to this Indenture.

Debt Retirement Fund shall mean the Fund so designated, created and established pursuant to Section 502(6) of this Indenture.

Debt Service for any period shall mean, as of any date of calculation, with respect to a particular Series of Bonds, including the Series 2024 Bonds, an amount equal to the sum of: (i) the interest accruing during such period on each such Series of Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the applicable Account in the Debt Service Fund; and (ii) that portion of each Principal Installment which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the immediately preceding Principal Installment due date or, if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding

the due date of such Principal Installment or from the date of original issuance of a particular Series of Bonds, whichever is later. Such interest and Principal Installments for such Series of Bonds shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

Debt Service Fund shall mean the Fund so designated, created and established pursuant to Section 502(5) of this Indenture.

Debt Service Requirement with respect to the next Interest Payment Date for any Series of Bonds shall mean: (i) in the case of an Interest Payment Date on which interest only shall be due, interest accrued and unpaid and to accrue to such date; and (ii) in the case of an Interest Payment Date on which interest and/or a Principal Installment or Installments shall be due, interest accrued and unpaid and to accrue to such date, if any, plus the Principal Installment or Installments due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

Default Interest shall have the meaning given to such term in Section 308(2) hereof.

Default Interest Payment Date shall have the meaning given to such term in Section 308(2) hereof.

DTC shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for any Series of Bonds authorized as book-entry Bonds pursuant to Section 204 hereof.

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

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

Fiduciary or **Fiduciaries** shall mean the Trustee, the Paying Agent, the Bond Registrar, the dissemination agent pursuant to the Continuing Disclosure Agreement, or any or all of them, as may be appropriate.

Fiscal Year shall mean the respective twelve (12) month fiscal period of the County or the Authority, as applicable.

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

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

Indenture means this Indenture of Trust, dated as of September 1, 2024, between the Authority and the Trustee, as the same may be amended and supplemented by a Supplemental Indenture.

Initial Authority Financing Fee shall mean, with respect to: (i) the Series 2024 Bonds, the amount of \$ _____; and (ii) any Series of Refunding Bonds, the amount specified in the applicable Supplemental Indenture authorizing such Series of Refunding Bonds or the award certificate executed by an Authorized Authority Representative in connection with the sale and award of such Series of Refunding Bonds.

Interest Payment Date shall mean: (i) with respect to the Series 2024 Bonds, each March 1 and September 1, commencing March 1, 2025; and (ii) such other dates as shall be established by a Supplemental Indenture authorizing any Series of Refunding Bonds. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

Investment Securities shall mean with respect to moneys in any Funds, Accounts or Subaccounts invested under the Indenture, any of the following securities, if and to the extent the same are at the time of purchase legal for investment of Authority funds pursuant to the provisions of the Local Fiscal Affairs Law, specifically *N.J.S.A. 40A:5-14* (legal depositories for public moneys) and *N.J.S.A. 40A:5-15.1* (securities which may be purchased by local units), as same may be amended and supplemented from time to time:

As of the date of adoption of this Indenture, the following investments and securities are currently permitted investments under the laws of the State for investment of the Authority's funds when authorized by a cash management plan approved pursuant to *N.J.S.A. 40A:5-14*:

- a. The public depositories (as defined in *N.J.S.A. 17:9-41*) designated by the Authority in an approved cash management plan shall be authorized pursuant to *N.J.S.A. 40A:5-14(i)* to purchase certificates of deposit in accordance with the following conditions: (1) the funds are initially invested through the designated public depository; (2) the designated public depository arranges for the deposit of the funds in certificates of deposit in one or more federally insured banks or savings and loan associations, for the account of the Authority; (3) one hundred percent (100%) of the principal and accrued interest of each certificate of deposit is insured by the Federal Deposit Insurance Corporation; (4) the designated public depository acts as custodian for the Authority with respect to the certificates of deposit issued for the Authority's accounts; and (5) at the same time that the Authority's funds are deposited and the certificates of deposit are issued, the designated public depository receives an amount of deposits from customers of other banks and savings and loan associations, wherever located, equal to the amount of funds initially invested by the Authority through the designated public depository.

b. Pursuant to *N.J.S.A.* 40A:5-15.1, the following securities may be purchased which, if suitable for registry, may be registered in the name of the Authority:

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

(2) Government money market mutual funds;

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

(4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (*N.J.S.A.* 40A:5A-1 *et seq.*). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;

(6) Local government investment pools;

(7) Deposits with the State Cash Management Fund established pursuant to Section 1 of P.L. 1977, c.281 (*N.J.S.A.* 52:18A-90.4); or

(8) Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of subsection b. hereof or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (*N.J.S.A.* 40A:5A-1 *et seq.*);

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than thirty (30) days;

(d) the underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c.236 (*N.J.S.A.* 17:9-41); and

(e) a master repurchase agreement providing for the custody and security of collateral is executed

c. Any investment instruments in which the security is not physically held by the local unit shall be covered by a third party custodial agreement which shall provide for the designation of such investments in the name of the local unit and prevent unauthorized use of such investments.

d. Purchase of investment securities shall be executed by the "delivery versus payment" method to ensure that securities are either received by the local unit or a third party custodian prior to or upon the release of the local unit's funds.

e. Any investments not purchased and redeemed 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 national or State bank located within this State or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L.1967, c.93 (*N.J.S.A.* 49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

f. For the purposes of this definition:

(1) a "government money market mutual fund" means an investment company or investment trust:

(a) which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 *U.S.C.* s.80a-1 *et seq.*, and operated in accordance with 17 *C.F.R.* s.270.2a-7, except that a government money market mutual fund may not impose liquidity fees or redemption gates regardless of whether permitted to do so under 17 *C.F.R.* s.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.* s.270.2a-7, securities that have been issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (*N.J.S.A.* 40A:5A-1 *et seq.*) that meet the definition of an eligible security pursuant to 17 *C.F.R.* s.270.2a-7, and repurchase agreements that are collateralized by such securities in which direct investment may be made pursuant to paragraphs (1), (3), and (5) of subsection b. hereof; and

(c) which is rated by a nationally recognized statistical rating organization.

(2) a "local government investment pool" means an investment pool:

(a) which is managed in accordance with generally accepted accounting and financial reporting principles for local government investment pools established by the Governmental Accounting Standards Board;

(b) which is rated in the highest category by a nationally recognized statistical rating organization;

(c) which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 *C.F.R.* s.270.2a-7, securities that have been issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (*N.J.S.A.* 40A:5A-1 *et seq.*) 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 securities in which direct investment may be made pursuant to paragraphs (1), (3), and (5) of subsection b. hereof;

(d) which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 *C.F.R.* s.270.2a-7, securities that have been issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L.1983, c.313 (*N.J.S.A.* 40A:5A-1 *et seq.*) 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 securities in which direct investment may be made pursuant to paragraphs (1), (3), and (5) of subsection b. hereof;

(e) which does not permit investments that: are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their par value; or utilize an index that does not support a stable net asset value;

(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 a national or State bank located within this State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L.1967, c.93 (*N.J.S.A.* 49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities; and

(g) which does not impose liquidity fees or redemption gates.

g. Investments in, or deposits or purchases of financial instruments made pursuant to this Indenture shall not be subject to the requirements of the "Local Public Contracts Law", P.L. 1971, c.198 (*N.J.S.A. 40A:11-1 et seq.*).

Issue Date shall mean, with respect to: (i) the Series 2024 Bonds, September __, 2024; and (ii) any Series of Refunding Bonds, the date on which the Trustee authenticates such Series of Refunding Bonds and on which such Series of Refunding Bonds is delivered to the purchasers thereof upon original issuance.

Loan shall mean the loan made by the Authority to the County in the aggregate principal amount not-to-exceed \$ _____ (which amount shall be specified in Loan Agreement) to finance the aggregate Costs of the 2024 Project under the terms and conditions set forth in the Loan Agreement.

Loan Agreement shall mean the Loan and Security Agreement, dated as of September 1, 2024, between the Authority and the County, together with any supplements and amendments thereto, relating to the 2024 Project to be financed with the proceeds of the Loan.

Loan Documents shall mean, collectively, the Loan Agreement, the Continuing Disclosure Agreement, this Indenture, and all documents and instruments executed and delivered in connection therewith and herewith and all amendments and modifications thereto and hereto.

Loan Ordinance shall mean the ordinance finally adopted by the County on or about July 17, 2024 and entitled, "AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF GLOUCESTER, NEW JERSEY AUTHORIZING AND APPROVING THE ENTERING INTO, EXECUTION AND DELIVERY OF: (I) A LOAN AND SECURITY AGREEMENT BY AND BETWEEN THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY AND THE COUNTY; (II) ONE OR MORE LEASE AND AGREEMENTS BY AND BETWEEN ROWAN UNIVERSITY AND THE COUNTY; (III) A GROUND LEASE AGREEMENT BY AND BETWEEN THE COUNTY AND ROWAN UNIVERSITY; AND (IV) A CONTINUING DISCLOSURE AGREEMENT, ALL RELATING TO THE ISSUANCE BY THE AUTHORITY OF ITS COUNTY GENERAL OBLIGATION LOAN REVENUE BONDS (Rowan UNIVERSITY NURSING AND PHYSICIAN ASSISTANT PROGRAM PROJECTS), SERIES 2024, IN ONE OR MORE SERIES, AND AUTHORIZING OTHER NECESSARY ACTION IN CONNECTION WITH SAID FINANCING," approving and authorizing the execution and delivery, among other things, of this Loan Agreement and the Continuing Disclosure Agreement by the County and the performance of its obligations thereunder, including payment of Loan Payment obligations under the Loan Agreement and Debt Service on any Bonds issued by the Authority, including the Series 2024 Bonds.

Loan Payment shall mean the sum of money representing principal and interest for: (i) the 2024 Project necessary to amortize Debt Service on the Series 2024 Bonds payable by the County on each Series 2024 Bonds Loan Payment Date, as set forth in Exhibit A to the Loan Agreement; and (ii) any bond refunding program necessary to amortize Debt Service on a Series of Bonds payable by the County on such Refunding Bonds Loan Payment Date, as set forth in an Exhibit to the amended Loan Agreement, as described in Section 5.02(A) of the Loan Agreement

and redemption premium, if any, to the extent required to redeem the Series 2024 Bonds pursuant to Article IV of this Indenture and, as applicable, Additional Loan Payments payable by the County upon demand pursuant to Sections 5.02(B) of the Loan Agreement, respectively.

Loan Payment Date shall mean: (i) with respect to the Series 2024 Bonds, five (5) Business Days prior to the applicable Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date for such Series; and (ii) such other dates determined in accordance with the Loan Agreement as may be set forth in a Supplemental Indenture authorizing any Series of Refunding Bonds.

Loan Term shall mean the period during which the Loan Agreement is in effect as specified in Section 5.01 of the Loan Agreement.

Month shall mean a calendar month.

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

Operating Fund shall mean the Fund so designated, created and established pursuant to Section 502(3) of this Indenture.

Outstanding when used with reference to Bonds, shall mean, as of any date, Bonds theretofore or thereupon being authenticated and delivered under this Indenture 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 Indenture and set aside for such payment or redemption (whether at or prior to the maturity date); provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as specified in Article IV hereof;
- (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII hereof and as described in Section 1206 hereof; and
- (iv) Bonds deemed to have been paid as provided in Section 1301 hereof.

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 national banking association designated as paying agent for the Bonds, and its successors and assigns appointed in the manner provided in this Indenture.

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

Pledged Property shall mean (1) the Revenues, (2) the Funds and Accounts established hereunder (other than the Rebate Fund), including Investment Securities held in any such Funds or Accounts, and (3) 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 Indenture.

Prepayment shall mean any amounts received as prepayments of Loan Payments pursuant to Section 5.06 of the Loan Agreement.

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

Principal Installment Date shall mean: (i) with respect to the Series 2024 Bonds, each March 1, commencing March 1, 2025; or (ii) such other date as set forth in a Supplemental Indenture authorizing any Series of Refunding Bonds. In the event a Principal Installment Date is not a Business Day, principal shall be paid on the next succeeding Business Day for the Principal Installment payable on the Principal Installment Date.

Proceeds shall mean any insurance, condemnation, performance bond, letter of credit or any other financial guaranty proceeds paid with respect to the 2024 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 7.05 of the Loan Agreement, any moneys payable from any self-insurance fund of the County which may lawfully be expended for the purposes for which such self-insurance is provided.

Proceeds Fund shall mean the Fund so designated, established and created pursuant to Section 502(4) of this Indenture.

Projects shall mean, collectively: (i) the development and construction of the new Rita and Larry Salva School of Nursing and Health Professions, an approximately 41,000 square foot state-of-the-art nursing school facility to include classrooms, laboratories, offices and administrative space ("Nursing School Project") to be built on approximately two acres of land adjacent to the South Jersey Technology Park on the north side of Rowan University's west Campus; (ii) the development and construction of an expansion to the Rowan College of South Jersey's Sewell, New Jersey campus facilities to include the Rowan-Virtua School of Osteopathic Medicine's Physician Assistant program, which includes an approximately 12,000 square foot addition to such facilities; and (iii) the completion of such other improvements and work and the acquisition of such equipment and materials as may be necessary or appropriate for the completion of the capital improvements described in clauses (i) and (ii), above, all as more particularly set forth in the Loan Agreement.

Project Management Fee shall mean all fees and costs attributable to the

Authority's management and oversight services provided in connection with the planning, pre-construction, construction and post-construction phases of the 2024 Project, if any. The Authority shall invoice the County at predetermined and mutually agreed upon rates, on a monthly or such other periodic basis throughout the construction period for the 2024 Project, as agreed to by the Authority and the County, for services performed by the Authority in carrying out the 2024 Project for the benefit of the County. The County shall ensure timely payment of each invoice presented by the Authority for payment from amounts on deposit in the 2024 Account in the Acquisition Fund or from other available funds of the County, as the case may be.

Rebate Fund shall mean the Fund so designated, created and established pursuant to Section 502(7) of this Indenture.

Record Date shall mean: (i) with respect to the Series 2024 Bonds, February 15 and August 15 immediately preceding any Interest Payment Date; or (ii) such other dates as set forth in a Supplemental Indenture authorizing any Series of Refunding Bonds.

Redemption Price shall mean, with respect to any Bond, the principal amount thereof plus the applicable redemption premium thereon, if any, payable upon redemption thereof pursuant to such Bond or this Indenture or the applicable Supplemental Indenture whether such Redemption Price is expressed as a percentage of the principal amount of the Bond or otherwise.

Refunding Bonds shall mean any Bonds authenticated and delivered on original issuance pursuant to Section 205 hereof and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII hereof and as described in Section 1206 hereof.

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

Revenue Fund shall mean the Fund so designated, created and established pursuant to Section 502(2) of this Indenture.

Revenues shall mean: (i) all amounts, including Loan Payments, received by the Authority from the County under the Loan Agreement; (ii) any moneys or securities held pursuant to this Indenture and paid or required to be paid into the Debt Service Fund; (iii) interest received on any moneys or Investment Securities held under this Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to this Indenture; and (iv) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Bonds pursuant to a Supplemental Indenture.

Series shall mean all of the Bonds of a Series authenticated and delivered upon original issuance at one or more times pursuant to this Indenture and any Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII hereof and as described in Section 1206

of this Indenture, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

Series 2024 Bonds shall mean the Authority's County General Obligation Loan Revenue Bonds (Health Sciences Educational Facilities Projects), Series 2024 in the aggregate principal amount of \$ _____, authorized in accordance with the terms of the Act, designated, authenticated and delivered to the Underwriter upon original issuance pursuant to Section 203 of this Indenture, and issued as Tax-Exempt Obligations, to finance the 2024 Project.

Sinking Fund Installment shall mean that designated amount on deposit in the Debt Service Fund which shall be applied by the Trustee to the redemption of Bonds of any Series which amount is established pursuant to subsection (7) of Section 203 hereof.

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

Standard & Poor's or **S&P** shall mean S&P Global Ratings a division of Standard & Poor's Financial Services LLC, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

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

Supplemental Indenture shall mean any resolution supplemental to or amendatory of this Indenture adopted by the Authority in accordance with Section 205 and Article XI hereof, but shall not include the Delegation Resolution.

Tax-Exempt Obligations shall mean any Series of Bonds, including the Series 2024 Bonds, which is issued pursuant to the terms of this Indenture together with an opinion of Bond Counsel to the effect that the interest on such Bonds is not includable in gross income for Federal income tax purposes pursuant to the provisions of the Code.

Trustee shall mean, with respect to the Series 2024 Bonds and any Series of Refunding Bonds issued hereunder, TD Bank, National Association, Mount Laurel, New Jersey and its successors and assigns or any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to this Indenture or appointed trustee pursuant to a Supplemental Indenture.

2024 Project shall mean the Costs: (i) of acquisition, installation, construction and equipping of the Projects to be financed with the proceeds of the Series 2024 Bonds; and (ii) incidental to the issuance and sale of the Series 2024 Bonds.

Underwriter shall mean the underwriter(s) named in the bond purchase contract between the Authority and the Underwriter, dated the date of sale of the Series 2024 Bonds.

Yield shall mean that yield which when used in computing the present worth of all payments of principal of and interest on an obligation produces an amount equal to its purchase price. The Yield for the Bonds issued as Tax-Exempt Obligations is to be computed in

accordance with Treasury Regulations Section 1.148-4. The Yield on an investment is to be computed in accordance with Treasury Regulations Section 1.148-5.

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

Section 102. Authority for This Indenture. This Indenture is executed and delivered pursuant to and in accordance with the provisions of the Bond Resolution and the Act.

Section 103. Indenture 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 Indenture shall be deemed to be and shall constitute a contract between the Authority and the Holders from time to time of the Bonds; and the security interest granted and the pledge and assignment made in this Indenture and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, all except as expressly provided in or permitted by this Indenture.

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ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 201. Authorization of Bonds. 1. In accordance with the Act and pursuant to the provisions of this Indenture, there is hereby authorized to be issued one or more Series of Bonds of the Authority. The Bonds shall be special and limited obligations of the Authority payable solely from Revenues and secured by the Pledged Property. The aggregate principal amount of the Bonds that may be executed, authenticated and delivered under this Indenture is not limited except as may hereafter be provided in this Indenture or as may be limited by law. The Series 2024 Bonds shall be substantially in the form set forth in Section 1401 of this Indenture, with appropriate insertions, omissions and variations.

2. The Bonds may, if and when authorized by the Authority pursuant to this Indenture and one or more Supplemental Indentures, be issued in one or more Series at one or more times, and the designation thereof, in addition to the names "County General Obligation Loan Revenue Bonds" or "County General Obligation Loan Revenue Refunding Bonds," as applicable, shall include such further appropriate particular program or project designation including, but not limited to, "(Rowan University Nursing and Physician Assistant Program Projects)" added to or incorporated in such title for the Bonds of any particular Series as the Authority shall determine in the Award Certificate with respect to such Series of Bonds. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. Nothing contained in this Indenture shall be deemed to preclude or restrict the consolidation pursuant to a Supplemental Indenture of any Bonds of two (2) or more separate Series authorized pursuant to such Supplemental Indenture to be issued pursuant to any of the provisions of Sections 202, 203 and 205 hereof into a single Series of Bonds for purposes of sale and issuance; provided that each of the tests, conditions and other requirements contained in Sections 202, 203, 204 and 205 hereof as applicable to each such separate Series shall be met and complied with. Except as otherwise provided in this subsection or in such Supplemental Indenture, such a consolidated Series shall be treated as a single Series for all purposes of this Indenture.

4. The Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by the Loan Agreement, the County, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by the Loan Agreement, the County, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof other than, as applicable under and limited by the Loan Agreement, the County.

Section 202. General Provisions for Issuance of Bonds. 1. All of the Bonds of each Series, including the Series 2024 Bonds, shall be executed by the Authority for issuance under this Indenture and shall be delivered to the Trustee. Thereupon the Trustee shall authenticate and shall deliver the Bonds to the Authority or upon its order, but only upon the receipt by the Trustee of:

- (a) An opinion of Bond Counsel (dated the date the Bonds of such Series are initially issued and addressed to the Authority, together with a reliance letter addressed to the Trustee) to the effect, *inter alia*, that, except insofar as it may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and the availability of any particular remedy: (i) the Authority has the right and the power under the Act, as amended to the date of such opinion, to adopt this Indenture; this Indenture has been duly and lawfully adopted by the Authority, is in full force and effect, is valid and binding upon the Authority and is enforceable in accordance with its terms and no other authorization for the adoption of this Indenture is required; (ii) this Indenture creates the valid pledge that it purports to create on the Pledged Property; and (iii) the Bonds of such Series are valid, binding, direct, special and limited obligations of the Authority as provided in this Indenture, enforceable in accordance with their terms and the terms of this Indenture and entitled to the benefits of this Indenture and of the Act, as amended to the date of such opinion, and such Bonds have been duly and validly authorized and issued in accordance with applicable law, including the Act as amended to the date of such opinion, and in accordance with this Indenture;
- (b) A written order as to the delivery of such Series of Bonds signed by an Authorized Authority Representative, which order shall: (i) direct the application of the proceeds of such Series of Bonds; and (ii) set forth the maturity schedule for said Series of Bonds and the interest rate or rates payable with respect thereto;
- (c) A copy, duly certified by an Authorized Authority Representative, of the Bond Resolution, *inter alia*, authorizing the execution of the Loan Agreement, this Indenture and the bond purchase contract with the Underwriter;
- (d) A fully executed copy of the Loan Agreement (or any supplement or amendment thereto);
- (e) A certified copy of the Loan Ordinance, along with duly certified copies of the authorization proceedings related thereto;
- (f) A fully executed copy of this Indenture, and any Supplemental Indenture thereto;
- (g) A fully executed copy of the bond purchase contract for such Series of Bonds executed by the Authority and the Underwriter thereof;
- (h) An executed copy of Form 8038-G as required by Section 149(e) of the Code with respect to the Series of Tax-Exempt Obligations;
- (i) Except in the case of the initial Series 2024 Bonds, a certificate of an Authorized Authority Representative stating that the Authority is not in

default in the performance of any of the covenants, conditions, agreements or provisions contained in this Indenture;

- (j) Except in the case of the Series 2024 Bonds, a certificate of an Authorized County Representative stating that the County is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Loan Agreement;
- (k) For any Series of Refunding Bonds, prior to the authentication and delivery of such Series of Refunding Bonds, provision shall have been made for an amendment of the Loan Agreement to provide for the timely payment when due of the principal of and interest on such Series of Refunding Bonds by the County, in the same manner as set forth in the Loan Agreement with respect to the Series 2024 Bonds.
- (l) An opinion of County Counsel and/or County Bond Counsel (dated the date the Bonds are initially issued and addressed to the Authority and the County, together with a reliance letter addressed to the Trustee) to the effect that, *inter alia*: (i) the County has the right and power under the Act to adopt the Loan Ordinance and execute and delivery the Loan Agreement, and such Loan Ordinance and Loan Agreement have been duly and lawfully adopted, executed and delivered by the County, is in full force and effect and is valid and binding upon the County enforceable in accordance with its terms and no other authorization for the Loan Ordinance or the Loan Agreement is required; (ii) the Loan Agreement is the valid binding, general obligation of the County enforceable in accordance with its terms and payments thereunder are payable out of the first funds becoming legally available to the County for such purpose and if such funds are not available, the County has the power and is obligated to levy *ad valorem* taxes upon all the taxable real property within the jurisdiction of the County for the purpose of making payments under the Loan Agreement, without limitation as to rate or amount; and (iii) the Loan Agreement has been duly and validly authorized and issued in accordance with applicable law, including the Act and the Local Bond Law (*N.J.S.A. 40A:2-1 et seq.*), and is in full force and effect on the date of issuance of the Bonds, provided that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws and equitable principles affecting creditors' rights generally and that no opinion is being rendered as to the availability of any particular remedy; and
- (m) Such further documents, moneys and securities as are required by the provisions of Sections 203, 205 or 703 or Article XI or any Supplemental Indenture adopted pursuant to Article XI hereof.

2. All of the Bonds of each Series shall be identical in all respects, except as to such further name designation incorporated in the title for the Bonds of each Series, denominations, maturity date, interest rates, numbers and letters. After the original issuance of

the Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII hereof and as described in Section 1206 hereof.

Section 203. The Series 2024 Bonds. 1. The Series 2024 Bonds shall be issued, authenticated and delivered to finance, among other things, the Costs of acquisition, installation, construction, and equipping of the 2024 Project.

2. Pursuant to the provisions of this Indenture, the Series 2024 Bonds are entitled to the benefit, protection and security of the provisions hereof and are hereby authorized to be issued in an aggregate principal amount of \$_____. The Series 2024 Bonds shall be designated as and shall be distinguished from the Bonds of all other Series by the title "County General Obligation Loan Revenue Bonds (Health Sciences Educational Facilities Projects), Series 2024."

3. The Series 2024 Bonds shall be issued to: (i) finance the Costs of the 2024 Project; and (ii) pay costs and expenses incurred by the Authority and the County in connection with the issuance and delivery of the Series 2024 Bonds.

4. The Series 2024 Bonds shall be dated _____, 2024, shall bear interest payable semiannually on March 1 and September 1 of each year, commencing on March 1, 2025, at the rates per annum set forth below and shall mature on March 1 (subject to prior redemption as provided herein) of each year in the years and in the principal amounts as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
	\$			\$	

5. The Series 2024 Bonds shall be issued in fully registered, book-entry only form in Authorized Denominations. Unless the Authority shall otherwise direct the Bond Registrar, the Series 2024 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 Indenture, the form of the Series 2024 Bonds, the Trustee's certificate of authentication shall be substantially in the form set forth in Sections 1401, 1402 and 1403, respectively, hereof.

6. The principal or Redemption Price of the Series 2024 Bonds shall be payable, upon presentation and surrender thereof, at the principal corporate trust office of TD Bank, National Association, Mount Laurel, New Jersey, as Paying Agent for the Series 2024 Bonds. The principal or Redemption Price of the Series 2024 Bonds shall also be payable on the applicable Principal Installment Date at any other place which may be provided for such

payment by the appointment of any other Paying Agent or Paying Agents as permitted by this Indenture. Interest on the Series 2024 Bonds shall be payable by check of the Trustee, mailed or transmitted, on each applicable Interest Payment Date or the maturity date, as the case may be, to the Registered Owners thereof as the same appear as of the Record Date on the books of the Authority maintained by the Bond Registrar; provided, however, that a Registered Owner of \$1,000,000 or more in principal amount of the Series 2024 Bonds shall be entitled, upon three (3) Business Days' written notice to the Trustee in advance of the applicable Record Date, to receive interest payments by wire transfer of immediately available funds.

7. The Series 2024 Bonds shall be subject to redemption prior to their maturity date as authorized by Article IV hereof.

8. The proceeds of the Series 2024 Bonds, shall be paid to the Trustee and applied in accordance with an order of the Authority simultaneously with the delivery thereof as follows:

- (a) an amount equal to \$_____ for the payment of the costs of issuance, including the Initial Authority Financing Fee, shall be deposited in the Operating Fund and paid in accordance with Section 505(2) hereof; and
- (b) the balance of the proceeds in the amount of \$_____ shall be deposited in the 2024 Account in the Acquisition Fund for the payment of the Costs of the 2024 Project, which Fund is created and established pursuant to Section 502(1) hereof.

Section 204. Book-Entry System.

- (a) With respect to the Series 2024 Bonds and each Series of Refunding Bonds for which the authorizing resolution so provides, except as provided in subsection (c) of this Section 204, the registered Holder of all of the Bonds shall be, and the Bonds shall be registered in the name of, Cede & Co. ("Cede"), as nominee of DTC. With respect to all Bonds for which Cede shall be the registered Holder, payment of semiannual interest on such Bonds shall be made by wire transfer of same day funds to the account of Cede on the Interest Payment Dates for the Bonds at the address indicated for Cede in the registration books of the Authority kept by the Bond Registrar.
- (b) The Bonds shall be initially issued in the form of a separate fully registered bond in the amount of each separate serial or term maturity of each Series of Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books of the Authority kept by the Bond Registrar in the name of Cede, as nominee of DTC. With respect to Bonds so registered in the name of Cede, the Authority and the Trustee shall have no obligation or responsibility to any DTC participant, indirect DTC participant or any beneficial owner of the Bonds. Without limiting the generality of the foregoing, the Authority and the Trustee shall

have no responsibility or obligation with respect to: (i) the accuracy of the records of DTC, Cede or any DTC participant or indirect DTC participant with respect to any beneficial ownership interest in the Bonds; (ii) the delivery to any DTC participant, indirect DTC participant, beneficial owner or any other Person, other than DTC or Cede, of any notice with respect to such Bonds, or (iii) the payment to any DTC participant, indirect DTC participant, beneficial owner or any other Person, other than DTC or Cede, of any amount with respect to the principal of, redemption premium, if any, or interest on such Bonds. The Authority and the Trustee may treat as, and deem DTC to be, the absolute registered Holder of each such Bond for the purpose of (i) payment of the principal of, redemption premium, if any, and interest on 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 Authority's obligations with respect to such principal of, redemption premium, if any, and interest to the extent of the sum or sums so paid. No Person other than DTC shall receive a Bond certificate evidencing the obligation of the Authority to make payments of principal thereof, redemption premium, if any, and interest thereon pursuant to this Indenture. 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 Indenture 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 Authority and discharging its responsibilities with respect thereto under applicable law. Upon receipt of such notice, the Authority shall promptly deliver a copy of same to the Trustee.

(2) The Authority: (i) in its sole discretion and without the consent of any other Person, may terminate the services of DTC with respect to any Series of Bonds; and (ii) shall terminate the services of DTC with respect to such Bonds upon receipt by the Authority and the Trustee of written notice from DTC to the effect that DTC has received written notice from DTC participants or indirect DTC participants having interests, as shown in the records of DTC, of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Bonds so registered in the name of Cede to the effect, that (A) DTC is unable to discharge its responsibilities with respect to such Bonds; or (B) a continuation of the requirement that all such Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, is not in the best interest of the beneficial owners of such Bonds.

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

- (d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Series of Bonds is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal of, redemption premium, if any, and interest on, and all notices with respect to, such Bonds shall be made and given, respectively, to DTC as provided in the Letter of Representations of the Authority and the Trustee, addressed to DTC, with respect to such Bonds.
- (e) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture by the Authority or the Trustee with respect to any consent or other action to be taken by Bondholders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

Section 205. Refunding Bonds. 1. One or more Series of Refunding Bonds may be authorized and delivered upon original issuance of the Series 2024 Bonds or hereafter to refund all or any portion (as determined by the Authority) of any Outstanding Bonds or any Series thereof, including one or more maturities within such Series of Bonds, upon compliance with the terms and conditions set forth in subsection 2 of this Section 205 and in Section 202 hereof.

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

- (a) a certified copy of the ordinance or resolution of the County consenting to the issuance of such Series of Refunding Bonds and pledging the full faith

and credit of the County to the punctual payment of the Loan Payment obligations incurred with respect to the issuance of such Series of Refunding Bonds;

- (b) irrevocable written instructions to the escrow agent or the Trustee with respect to Outstanding Bonds to be refunded, satisfactory to it, to give due notice of redemption of all or any portion of the Outstanding Bonds (or any Series thereof), if any, to be redeemed on a redemption date specified in such instructions;
- (c) if the Bonds to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, irrevocable written instructions to the Trustee, satisfactory to it, to make due provision for the notice provided for in Section 405 to the Holders of such Bonds being refunded, except in the case where any Series of Bonds is not by its terms subject to redemption;
- (d) either: (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded and redeemed or the principal amount of the Bonds to be refunded and paid at maturity, together with accrued interest on such Bonds to be refunded to the redemption or maturity date, which moneys shall be held by the escrow agent or the Trustee, as the case may be, or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the Holders of the Bonds to be refunded; or (ii) Investment Securities in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to comply with the provisions of subsection 2 of Section 1301 hereof, and any moneys required pursuant to said subsection 2, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2 and including a verification report (or escrow sufficiency calculation in the case of a current refunding) to the same effect;
- (e) executed copies of an amendment to the Loan Agreement certified to as being in full force and effect by an Authorized Authority Representative and an Authorized County Representative; and
- (f) a certified copy of the ordinance or resolution authorizing the amendment of the Loan Agreement for such Series of Refunding Bonds along with duly certified copies of the authorization proceedings related thereto.

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

4. Upon the defeasance of the Bonds being refunded, the refunded Bonds shall no longer be entitled to the benefit of the Guaranty for the refunded Bonds and such Guaranty shall be released and extinguished with respect to such refunded Bonds.

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ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 301. Obligation of Bonds; Medium of Payment; Form and Date.

1. The Bonds shall be direct, special and limited obligations of the Authority payable, with respect to principal or Redemption Price and interest, solely from Revenues and secured by the Pledged Property, which under the Act and this Indenture may be used for the payment of principal or Redemption Price of and interest on the Bonds.

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

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

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

5. The Series 2024 Bonds upon original issuance shall be dated as provided in this Indenture. Refunding Bonds shall be dated as provided in a Supplemental Indenture. Principal of the Bonds shall be payable at maturity upon presentation and surrender thereof at the office of the Paying Agent. Bonds shall bear interest as provided herein or in the Supplemental Indenture authorizing such Series of Bonds, payable by check, except as provided in Section 203(6) and Section 204 hereof, to Registered Owners of such Bonds as of the Record Date provided for such Bonds at their addresses on file with the Bond Registrar. After original issuance, all Bonds exchanged or transferred shall bear an authentication date that shall be the date authenticated. Interest on Bonds shall accrue from the Interest Payment Date to which interest has been paid next preceding the authentication date unless (a) the date of authentication is also an Interest Payment Date to which interest has been paid, in which event such Bonds shall be dated and shall bear interest from the date of authentication, or (b) the date of authentication is prior to the first Interest Payment Date, in which event such Bonds shall bear interest from the original dated date of such Bonds; provided however that if, as shown on the records of the Trustee, interest on the Bonds of any Series shall be in default, Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered.

Section 302. Legends. 1. The Bonds of each Series may contain or may have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture or a Supplemental Indenture as may be necessary or desirable to comply with the custom or rules of any securities exchange or commission or brokerage board or otherwise as may be determined by the Authority prior to the authentication and the delivery thereof.

2. Each Series of Bonds shall bear thereon evidence of the Guaranty in the form set forth in Section 1403 of this Indenture, which shall be executed by an Authorized County Representative as set forth therein.

Section 303. Execution of Bonds. The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chairman or Vice Chairman and its corporate seal shall be thereunto affixed, imprinted or otherwise reproduced and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority. In the event any officer who shall have signed, sealed or attested any of the Bonds shall cease to be such officer of the Authority before the Bonds so signed, sealed or attested shall have been authenticated and delivered by the Trustee or by the Bond Registrar, such Bonds nevertheless may be authenticated and delivered as herein provided as if the Person who so signed, sealed or attested such Bonds had not ceased to be such officer. Any Bond of a Series may be signed, sealed or attested on behalf of the Authority by any Person who shall hold the proper office at the date of such act, notwithstanding at the date of such Bonds such Person may not have held such office.

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

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

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

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

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

Section 306. Reissuance of Mutilated, Destroyed, Stolen or Lost Bonds.

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

Section 307. Temporary Bonds. Until the definitive Bonds are prepared, the Authority may execute in the same manner as is provided in Section 303 hereof and, upon the request of the Authority, the Trustee or Bond Registrar shall authenticate and shall deliver in lieu of definitive Bonds but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the denominations thereof and as to exchangeability for registered Bonds, one or more temporary Bonds of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in Authorized Denominations and with such omissions, insertions and variations as may be appropriate to temporary Bonds for notation thereon of the

payment of such interest. The Authority at its own expense shall prepare and shall execute and, upon the surrender for exchange and for cancellation of such temporary Bonds, the Trustee or the Bond Registrar shall authenticate and shall deliver in exchange therefor definitive Bonds of the Authority without charge to the Holder thereof.

Section 308. Payment of Interest on Bonds; Interest Rights Preserved. 1. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Bond is registered at the close of business on the Record Date or any date which is (a) in the case of the Series 2024 Bonds, [the fifteenth (15th) day immediately preceding] [the first day of the calendar month containing] an Interest Payment Date, and (b) as shall be provided in a Supplemental Indenture authorizing any Series of Bonds.

2. Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (hereinafter "**Default Interest**") shall forthwith cease to be payable to the Registered Owner on the relevant Record Date by virtue of having been such Owner; and such Default Interest shall be paid by the Authority to the Persons in whose names the Bonds are registered at the close of business on a date (hereinafter the "**Special Record Date**") for the payment of such Default Interest, which shall be fixed in the following manner. The Authority shall notify the Trustee, in writing, of the amount of Default Interest proposed to be paid on each Bond and the date of the proposed payment ("**Default Interest Payment Date**") (which date shall be not less than twenty-five (25) days after such notice), and at the same time the Authority shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Default Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Default Interest herein provided. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Default Interest, which Special Record Date shall be not more than fifteen (15) nor less than ten (10) days prior to the Default Interest Payment Date, and which Special Record Date shall be fixed by the Trustee within ten (10) days after the receipt by the Trustee of the notice of the proposed payment from the Authority. The Trustee shall promptly notify the Authority of such Special Record Date and Default Interest Payment Date and, in the name and at the expense of the Authority, shall cause notice of the proposed payment of such Default Interest and the Special Record Date and Default Interest Payment Date therefor to be mailed, first class postage prepaid, to each Bondholder at his address as it appears in the registry books, not less than ten (10) days prior to such Special Record Date.

Subject to the foregoing provisions of this Section 308, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

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

ARTICLE IV

REDEMPTION OF BONDS

Section 401. Privilege of Redemption and Redemption Price.

1. General. Bonds subject to redemption prior to maturity pursuant to this Indenture or a Supplemental Indenture shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms, as set forth below pertaining to the 2024 Bonds and the Supplemental Indenture authorizing Refunding Bonds. The written consent of the County to effectuate a redemption of any Series of Bonds shall be received by the Authority prior to the redemption of a particular Series of Bonds, except for the redemption of Bonds pursuant to mandatory sinking fund redemption. A copy of such written consent of the County shall be received by the Trustee prior to the mailing of the notice of redemption in accordance with Section 405 hereof. Except as may be otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, any Series of Bonds may be redeemed in whole or in part on any date by the Authority, at the written direction of the County, in accordance with this Indenture or a Supplemental Indenture, as applicable.

2. Series 2024 Bonds.

(a) Optional Redemption. The Series 2024 Bonds maturing on or prior to March 1, 20__ are not subject to optional redemption prior to maturity. The Series 2024 Bonds maturing on or after March 1, 20__ are subject to redemption prior to maturity at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the County of prepayment from the County in accordance with the terms of the Loan Agreement, on or after March 1, 20__ in whole or in part at any time, and, if in part, in such order of maturity as the County may direct and, within a maturity, by lot (or other customary method of selection determined by the Trustee), at a Redemption Price equal to one hundred percent (100%) of the principal amount of Series 2024 Bonds to be redeemed, plus accrued interest to the redemption date.

(b) Mandatory Sinking Fund Redemption.

(i) The Series 2024 Bonds maturing on March 1, 20__ are subject to scheduled mandatory sinking fund redemption by the Authority on March 1 in the years and in the amounts set forth below at a Redemption Price equal to 100% of the principal amount thereof, plus accrued to the redemption date:

Redemption Date (<u>March 1</u>)	Principal Amount to be <u>Redeemed</u>
---------------------------------------	---

*

*Final Maturity

(ii) The Series 2024 Bonds maturing on March 1, 20__ are subject to scheduled mandatory sinking fund redemption by the Authority on March 1 in the years and in the amounts set forth below at a Redemption Price equal to 100% of the principal amount thereof, plus accrued to the redemption date:

Redemption Date (<u>March 1</u>)	Principal Amount to be <u>Redeemed</u>
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*

*Final Maturity

Section 402. Redemption at the Election or Direction of the Authority. In the case of any redemption of Bonds (including any Series thereof) by the Authority, at the written direction of the County, the Authority shall give written notice to the Trustee of the election or direction of the County to so redeem, except for the redemption of Bonds pursuant to mandatory sinking fund redemption, in accordance herewith, of the redemption date, of the Series, and of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by the Authority, upon the written consent of the County, subject to any limitations with respect thereto contained in this Indenture). Such notice shall be given at least sixty (60) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 405 provided, there shall be paid on or prior to the redemption date to the appropriate Paying Agents an amount in cash or noncallable Investment Securities which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued thereon and unpaid to the redemption date, all of the Bonds to be so redeemed. The Authority shall promptly notify the Trustee, in writing, of all such payments by it to such Paying Agents.

Section 403. Redemption Otherwise Than at the Authority's Election or Direction. Whenever by the terms of this Indenture the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the Authority, provided that if such redemption is required to be consented to, in writing, by the County, such written consent has been delivered to the Trustee, the Trustee shall: (i) select the Bonds or portions of Bonds to be redeemed; (ii) give the notice of redemption; and (iii) pay out of moneys available therefor the Redemption Price thereof, plus interest accrued thereon and unpaid to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article IV.

Section 404. Selection of Bonds to be Redeemed. 1. The Bonds shall be redeemed only in Authorized Denominations. If less than all of the Bonds are to be redeemed prior to maturity and in any principal amount within a maturity, such Bonds shall be called for redemption in any order of maturity as the Authority may designate with the consent of the County. If the Bonds are registered in book-entry form, and so long as DTC or a successor

Securities Depository is the sole Registered Owner of such Bonds and if fewer than all of such Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds to be redeemed shall be selected on a pro-rata pass-through distribution of principal basis in accordance with DTC procedures; provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro-rata pass-through distribution of principal basis, the Bonds will be selected for redemption in accordance with DTC procedures, by lot; provided that any such redemption must be performed such that all Bonds remaining Outstanding will be in Authorized Denominations.

If the Bonds are no longer in registered book-entry form and DTC or a successor Securities Depository is no longer the sole Registered Owner of the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same rate of interest are to be redeemed, such Bonds of the same maturity and bearing such interest rate will be selected on a pro-rata basis within any maturity as shall be selected by the Trustee by lot; provided that any such redemption must be performed such that all Bonds remaining Outstanding will be in Authorized Denominations.

For purposes of calculating pro-rata pass-through distributions of principal, "pro-rata" means, for any amount of principal or interest to be paid, the application of a fraction to such amounts where (A) the numerator of which is equal to the amount due to the respective registered Owners of the Bonds on a payment date and (b) the denominator of which is equal to the total original principal amount of the Bonds.

2. In the case of a partial redemption of Bonds when such Bonds of denominations greater than the minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each principal amount equal to the minimum Authorized Denomination shall be treated as though it was a separate Bond of the minimum Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any Bond is to be selected for redemption, then upon notice of intention to redeem such portion, the Owner of such Bond or such Owner's attorney or legal representative shall forthwith present and surrender such Bond to the Trustee: (i) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the principal amount called for redemption; and (ii) for exchange, without charge to the Owner thereof for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

3. The Trustee shall call Bonds for redemption and payment as herein provided upon receipt by the Trustee at least 45 days prior to the redemption date of a written request of the Authority with the consent of the County. Such request shall specify the principal amount of the Bonds and their maturities so to be called for redemption, the applicable redemption price or prices and the provision or provisions above referred to pursuant to which such Bonds are to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of any mandatory sinking fund redemption of Bonds pursuant to Section 510

herein, and such Bonds, subject to the exercise by the Authority of its rights under Section 510 herein, shall be called by the Trustee for redemption pursuant to such mandatory sinking fund redemption requirements without the necessity of any action by the Authority and whether or not the Trustee shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

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

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

If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest thereon to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date and if a notice of redemption shall have been given as aforesaid, then from and after the redemption date interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable.

The Trustee shall comply with any notice or other requirements of DTC to effectuate a redemption of Bonds. Any notice which is mailed in the manner herein provided

shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice.

Section 406. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 405 hereof, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued thereon and unpaid to the redemption date and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued thereon and unpaid to the redemption date. If there shall be called for redemption less than all of a Bond of like Series, the Authority shall execute and the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Bonds so surrendered, fully registered Bonds of like Series and maturity in any Authorized Denominations.

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ARTICLE V

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 501. The Pledge Effected by This Indenture and Security for the Bonds. 1. There is hereby pledged and assigned as security for the payment of the principal of, redemption premium, if any, and interest on the Bonds issued in anticipation thereof in accordance with their terms and the provisions of this Indenture, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture, all of the Pledged Property.

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

3. The Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by the Loan Agreement, the County, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by the Loan Agreement, the County, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof other than, as applicable under and limited by the Loan Agreement, the County. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by the Loan Agreement, the County, is obligated to pay the principal of and interest on the Bonds and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof other than, as applicable under and limited by the Loan Agreement, the County, is pledged to the payment of the principal of and interest on the Bonds, but all Bonds shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under the Loan Agreement, as authorized in the Act.

4. The Authority hereby assigns its right to receive all Revenues, including all amounts to be received by the Authority from the County under the Loan Agreement (except for Additional Loan Payments), to the Trustee for the benefit of the Bondholders and covenants and directs the County, pursuant to the Loan Agreement, to pay all such Loan Payment amounts (except for Additional Loan Payments) directly to the Trustee.

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

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

- (1) Acquisition Fund, including a separate Account established therein for the Series 2024 Bonds, to be held by the Trustee, on behalf of the Authority;
- (2) Revenue Fund, including separate Accounts established therein for the Series 2024 Bonds and for any Series of Refunding Bonds, to be held by the Trustee, on behalf of the Authority;
- (3) Operating Fund, including separate Accounts established therein for the Series 2024 Bonds and for any Series of Refunding Bonds, to be held by the Trustee, on behalf of the Authority;
- (4) Proceeds Fund, including a separate Account established therein for the Series 2024 Bonds, to be held by the Trustee;
- (5) Debt Service Fund, including separate Accounts established therein for the Series 2024 Bonds and for any Series of Refunding Bonds, to be held by the Trustee;
- (6) Debt Retirement Fund, including separate Accounts established therein for the Series 2024 Bonds and for any Series of Refunding Bonds, to be held by the Trustee; and
- (7) Rebate Fund, including separate Accounts established therein for the Series 2024 Bonds and for any Series of Refunding Bonds issued as Tax-Exempt Obligations, to be held by the Trustee, on behalf of the Authority.

The Trustee may designate for each Fund or Account established hereunder such number, letter or symbol as may be necessary to distinguish such Funds or Accounts from other Funds and Accounts of the Authority held by the Trustee for any Series of Bonds.

Section 503. Acquisition Fund. 1. There shall be established within the Acquisition Fund a separate Account for the Series 2024 Bonds.

2. There shall be paid into such Account (a) the amounts required to be so paid by the provisions of this Indenture, including any proceeds from the Series 2024 Bonds in accordance with Section 203(8)(c) hereof, (b) any Proceeds received with respect to the 2024 Project pursuant to Sections 7.06 and 7.07 of the Loan Agreement, (c) amounts received from the County pursuant to Section 4.11 of the Loan Agreement and subsection six (6) of this Section 503, (d) amounts received from the County from the conveyance or exchange of facilities and/or equipment constituting part of the 2024 Project previously acquired with the proceeds of the Loan and applied pursuant to Section 6.06(B)(i) of the Loan Agreement, and (e) at the option of the Authority at the written direction of the County, any moneys received by the Authority or the County for or in connection with the 2024 Project from any other source, unless required to be otherwise applied in accordance with this Indenture. All amounts in the 2024 Account in the Acquisition Fund shall be applied in the following order and priority: (i) to pay the Costs of the 2024 Project or to reimburse the County for any Costs of the 2024 Project paid by it in

accordance with a reimbursement resolution adopted by the County; and (ii) to the extent not otherwise utilized, moneys in the 2024 Account in the Acquisition Fund shall be transferred to the 2024 Account in the Debt Service Fund and applied by the Trustee in accordance with subsection (4) of this Section 503.

3. The Authority shall authorize the Trustee to make payments from the 2024 Account in the Acquisition Fund for the Cost of the 2024 Project in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this subsection (3). Before any such payment shall be made, there shall be filed by the County with the Trustee: a requisition therefor, which requisition shall be substantially in the form set forth in Exhibit B to the Loan Agreement, signed by an Authorized County Representative, stating in respect of each payment to be made (A) the requisition number; (B) that such payment is to be made from the 2024 Account in the Acquisition Fund; (C) the name and address of the Person to whom payment is to be made by the Trustee, or if payment is to be made to the County for a reimbursable advance, the name and address of the Person to whom such advance was made together with proof of payment by the County; (D) the amount to be paid, which amount represents the payment due to the Person referenced in clause (C) above, or 100% of the payment previously made by the County; (E) the particular item of Cost to be paid to which the requisition relates; (F) that each obligation, item of Cost or expense mentioned therein has been properly incurred, is an item of Cost of the 2024 Project, is unpaid or unreimbursed, and is a proper charge against the 2024 Account in the Acquisition Fund and has not been the basis of any previously paid withdrawal or requisition; (G) that the public contracts bidding laws applicable to the contract pursuant to which payment is being requested have been complied with (excluding requisitions for payment of any Project Management Fee, if any), if any; (H) if such payment is a reimbursement to the County for Costs or expenses incurred by reason of work performed or supervised by officers or employees of the Authority or the County, that the amount to be paid does not exceed the actual cost thereof to the County; (I) that no uncured Event of Default has occurred under the Loan Agreement (as defined under Section 8.01 thereof) or under this Indenture and everything required to be performed by the County has been performed; (J) the County has not received notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under such requisition to any of the Persons named therein or, if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of the requisition; and (K) in the event there are not sufficient funds available to pay such requisition from the maturity of any Investment Securities, instructions specifying the Investment Security or Securities which should be liquidated for the payment thereof. The Trustee shall issue its check for each payment required by such requisition or shall by interbank transfer or other method, arrange to make the payment required by such requisition. The Trustee shall have no obligations hereunder and may rely on the requisition if properly signed.

4. The completion of the 2024 Project by the County shall be evidenced by a certificate or certificates signed by an Authorized County Representative which shall be in substantially the form set forth in Exhibit C to the Loan Agreement, and which shall be delivered and filed with the Trustee and the Authority, stating: (i) that such 2024 Project is complete or has been substantially completed; (ii) the date of completion of the 2024 Project; (iii) the Cost of all labor, services, materials and supplies used in the 2024 Project have been paid or will be paid from amounts retained by the Trustee, at the County's direction, for any Cost of the 2024 Project and the amount, if any, required, in the opinion of the signer or signers, for the payment of any

remaining part of the Cost of the 2024 Project or any portion thereof, not then due and payable or, if due and payable, not yet paid; (iv) the 2024 Project is an authorized "project" under the Act; and (v) all permits, including a Certificate of Occupancy, if required, necessary for the utilization of the 2024 Project have been obtained and are in effect. Upon the filing of such Completion Certificate, the balance in the 2024 Account in the Acquisition Fund in excess of the amount, if any, stated in such Completion Certificate shall be transferred by the Trustee for deposit at the written direction of an Authorized County Representative (a copy of which Completion Certificate shall also be provided by the County to the Authority), in either: (i) the 2024 Account in the Debt Retirement Fund for application to the retirement of Series 2024 Bonds by purchase or redemption; or (ii) the 2024 Account in the Debt Service Fund. If, subsequent to the filing of such certificate, it shall be determined that any amounts specified in such certificate as being required for the payment of any remaining part of the Cost of the 2024 Project are no longer so required, such fact shall be evidenced by a certificate or certificates signed by an Authorized County Representative delivered and filed with the Trustee and the Authority stating such fact and the amount no longer required to be paid, and any amount shown therein as no longer being required shall be transferred to the Trustee for application as provided in the preceding sentence. Notwithstanding the foregoing, such Completion Certificate shall state that it is given without prejudice to any rights against third parties which exist as of the date of such certificate or which may subsequently come into being.

5. Any damages or other moneys from any contractor, subcontractor, manufacturer, supplier or any party to any contract for the 2024 Project or its surety due and owing to the County pursuant to Section 5.11 of the Loan Agreement shall be paid to the Trustee for deposit in the 2024 Account in the Acquisition Fund (in accordance with written instructions from the Authority as directed in writing by the County) to complete the 2024 Project. Any such moneys not necessary to complete the 2024 Project or not so applied, as stated in a certificate executed by an Authorized County Representative delivered to the Trustee, shall be transferred by the Trustee to the 2024 Account in the Proceeds Fund and applied as a credit toward the County's Loan Payment obligations with respect to the Series 2024 Bonds on the next succeeding Loan Payment Date, in accordance with Section 507(2) and (3) hereof.

6. (a) In the event the Cost to complete the 2024 Project shall exceed the amount available to the County from the portion of the proceeds of the Loan allocable thereto and in the event the County elects to undertake such remaining portions of the 2024 Project, pursuant to Section 4.11 of the Loan Agreement, the County shall be obligated to pay, as additional payments under Section 5.02(B)(ii) of the Loan Agreement, such sums as may be required to pay the Cost of the 2024 Project in excess of the amount available to the County from the portion of the proceeds of the Loan allocable thereto out of funds legally available therefor. Payment of such additional amounts shall be made by the County at the time or times and in the amount or amounts required for the payment of such excess Cost as the same becomes due and payable. Such additional moneys shall be paid by the County to the Trustee for deposit in the 2024 Account in the Acquisition Fund and the Trustee shall pay the Cost thereof in accordance with the procedures outlined in Section 4.03 of the Loan Agreement and subsection (3) of this Section 503.

(b) In the event the County pays to the Trustee sums needed to fund the balance of the Cost of the 2024 Project in accordance with the provisions of Section 4.11(A) of the Loan Agreement, the County shall complete Exhibit E attached to the Loan Agreement to

reflect: (i) the amount of moneys to be withdrawn from the 2024 Account in the Acquisition Fund to pay the Cost of the 2024 Project; (ii) the amount of money forwarded to the Trustee by the County for deposit in the 2024 Account in the Acquisition Fund to make up the deficiency in such Cost of the 2024 Project; and (iii) the total Cost of the item being requisitioned, which certificate shall be signed by an Authorized County Representative and delivered and filed with the Trustee.

7. Prior to the completion of the 2024 Project, the Trustee shall, upon receipt of a requisition signed by an Authorized County Representative, advance moneys on deposit in the 2024 Account in the Acquisition Fund to provide for working capital. The Trustee shall advance such moneys only to the extent that such moneys are not needed to make payment on requisitions for the 2024 Project within the following one hundred twenty (120) days and there are no other funds available to the County for working capital as certified by an Authorized County Representative. Repayment by the County to the Trustee for each such advance is due no later than one hundred twenty (120) days from the date of such advance and the Trustee shall deposit the County's repayment of any such advance in the 2024 Account in the Acquisition Fund.

Section 504. Revenue Fund. Except as set forth in Sections 505 and 603 hereof, all Revenues shall be promptly deposited by the Trustee upon receipt thereof into the Revenue Fund and shall be applied as set forth in Section 506 hereof. All moneys at any time deposited in the Revenue Fund shall be held in trust for the benefit of the Holders but shall nevertheless be disbursed and applied solely for the uses and purposes set forth in this Article V.

Section 505. Operating Fund. 1. Pursuant to an order of the Authority simultaneously delivered to the Trustee upon the original issuance of the Series 2024 Bonds and the initial advance of the Loan and, thereafter, upon the original issuance of any Series of Refunding Bonds, any proceeds of the Loan and County moneys or Bond proceeds, as the case may be, representing costs of issuance and the Initial Authority Financing Fee shall be immediately deposited in the Operating Fund. Such amounts shall be paid by the Trustee in accordance with subsection (2) of this Section 505.

2. Amounts deposited in the Operating Fund shall be paid out by the Trustee pursuant to written direction of the Authority and the County from time to time for costs of issuance and Authority Administrative Expenses, including expenses incurred by the Authority to perform an arbitrage rebate calculation with respect to any Series of Tax-Exempt Obligations, upon requisition therefor submitted to the Trustee and signed by an Authorized Authority Representative stating: (i) the name of the Person to whom each such payment is due; (ii) the respective amounts to be paid; (iii) the purpose by general classification for which each obligation in the stated amounts has been or will be incurred; and (iv) each obligation in the stated amount has been or will be incurred by or on behalf of the Authority and that each item thereof is a proper charge against the Operating Fund and has not been previously paid. To the extent such amounts deposited therein are not spent within ninety (90) days of the Issue Date of the Series 2024 Bonds and any Series of Refunding Bonds, the Trustee shall, without further direction, deposit in the applicable Account of the Debt Service Fund for such Series of Bonds any balance then remaining for such Series of Bonds unless the County requests, in writing (with a copy to the Authority), that such balance remain in the Operating Fund for an additional period of time as specified in such request.

3. Amounts paid by the County as Additional Loan Payments for the performance of an arbitrage rebate calculation pursuant to Section 6.14 of the Loan Agreement with respect to any Series of Tax-Exempt Obligations and payment of, among other expenses, the annual Authority Administrative Expenses shall be paid to the Trustee and the Trustee shall deposit the same in the respective Accounts in the Operating Fund. Such amounts shall be paid by the Trustee to the Authority in accordance with subsection (2) of this Section 505.

Section 506. Payments From the Revenue Fund Into Certain Funds. 1.

As soon as practicable after the deposit of Revenues into the Revenue Fund, but in any case no later than 3:00 p.m. on the second Business Day immediately following a Loan Payment Date or after the deposit of any Revenues in the Revenue Fund payable by the County upon demand pursuant to Sections 5.02(A) and (B) of the Loan Agreement, respectively, the Trustee shall credit, but only to the extent the amount in the Revenue Fund shall be sufficient therefor, such Revenues as follows: (a) Revenues representing Loan Payments made by the County pursuant to Section 5.02(A) of the Loan Agreement, the amount of such payment being in accordance with Exhibit A attached to the Loan Agreement, shall be deposited in the applicable Accounts in the Debt Service Fund in accordance with Section 508 hereof or, in the case of any purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established, to the Debt Retirement Fund, (b) Revenues representing moneys received by the Trustee pursuant to the provisions of Section 6.06(C)(ii) of the Loan Agreement shall immediately be deposited in the applicable Accounts in the Debt Service Fund and applied in accordance with the provisions of Section 508 hereof, (c) Revenues representing Additional Loan Payments made by the County pursuant to Section 5.02(B) of the Loan Agreement including the annual Authority Administrative Expenses shall immediately be deposited in the applicable Accounts in the Operating Fund and applied in accordance with the provisions of Section 505(3) hereof, and (d) any investment earnings on any moneys held in any Fund and required to be transferred to the Revenue Fund pursuant to the provisions of this Indenture, such that the total balance in each Account in the Debt Service Fund shall equal the Debt Service Requirement on each such Series of Bonds for the next respective succeeding Interest Payment Date and Principal Installment Date, as applicable, provided that, for the purposes of computing the amount to be deposited in said Fund, there shall be included in the balance of the Debt Service Fund that amount of such proceeds to be applied in accordance with this Indenture to the payment of interest accrued and unpaid and to accrue on such Series of Bonds to the next Interest Payment Date as set forth in an order of the Authority to the Trustee; provided, however, that so long as there shall be held in the Debt Service Fund an amount sufficient and available to pay in full all Outstanding Bonds of a particular Series in accordance with their terms (including principal thereof and interest thereon) no transfers shall be required to be made from the Revenue Fund to the Debt Service Fund.

2. Revenues consisting of proceeds representing damages or other moneys from any contractor, subcontractor, manufacturer, supplier or surety shall be immediately credited in accordance with Sections 503(5) and 507(2) hereof.

3. All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any losses suffered) earned or any gain realized on any moneys or investments in such Funds shall be transferred upon receipt to the Revenue Fund, except that: (i) such net interest earned on any moneys or investments in the Debt Service Fund shall be held in such Fund for the purposes thereof and shall be paid into such Fund in accordance with the provisions of Section 603(2) hereof and shall be applied in accordance

with the provisions hereof; and (ii) interest earned on any moneys or investments in the 2024 Account in the Acquisition Fund shall be held in such Account in the Acquisition Fund until delivery of a Completion Certificate for the 2024 Project as required by Section 503(4) of this Indenture at which time such moneys shall be applied in accordance with Section 603(2) hereof.

Section 507. Proceeds Fund. 1. Revenues paid to the Trustee pursuant to Section 4.10 of the Loan Agreement and Section 503(5) hereof and not necessary to complete the 2024 Project or not so applied shall be transferred by the Trustee, upon receipt of a certificate of an Authorized County Representative delivered to the Trustee stating the amount of money to be so transferred, from the 2024 Account in the Acquisition Fund to the 2024 Account in the Proceeds Fund and applied as a credit toward the County's Loan Payment obligations pursuant to subsections (2) and (3) below.

2. Proceeds representing damages or other moneys from any performance bond or surety provided pursuant to Section 5.11 of the Loan Agreement and deposited in the 2024 Account in the Acquisition Fund in accordance with Section 503(5) hereof and not necessary to complete the 2024 Project or not otherwise applied to complete the 2024 Project shall be transferred by the Trustee to the 2024 Account in the Proceeds Fund. Proceeds on deposit in the 2024 Account in the Proceeds Fund resulting from such deposits shall be applied by the Trustee as a credit toward the amount of Loan Payments owed by the County on each Loan Payment Date for the payment of Debt Service on the Series 2024 Bonds by the transfer of such proceeds to the 2024 Account in the Debt Service Fund as set forth in a certificate of an Authorized County Representative filed with the Trustee at the time of the deposit of the proceeds into the 2024 Account in the Proceeds Fund.

3. To the extent moneys in the 2024 Account in the Debt Service Fund are sufficient to satisfy the amount of Loan Payments due and owing by the County for such Bond Year, any such proceeds on deposit in the 2024 Account in the Proceeds Fund or any other Revenues deposited therein shall remain in said 2024 Account in the Proceeds Fund and shall be transferred thereafter into the 2024 Account in the Debt Service Fund on each Loan Payment Date for the payment of Debt Service on the Series 2024 Bonds until such proceeds or any other Revenues are exhausted. The application of such proceeds or any other Revenues deposited therein in accordance herewith shall be credited toward the Loan Payments due and owing from the County in any Bond Year. Any such proceeds or any other Revenues deposited in the 2024 Account in the Proceeds Fund shall be invested, subject to such yield restrictions as shall be directed to the Trustee, in writing, by an Authorized Authority Representative, upon written direction of an Authorized County Representative, in consultation with Bond Counsel.

Section 508. Debt Service Fund. 1. Pursuant to Section 506(1)(a) hereof, Revenues representing Loan Payments from the County deposited in the Revenue Fund on any Loan Payment Date shall be transferred to and deposited in the Debt Service Fund not later than 3:00 p.m. on the first Business Day thereafter by the Trustee. Not later than 3:00 p.m. on the first Business Day after any Loan Payment Date, the Trustee shall determine whether the amounts on deposit in the Debt Service Fund, after all Revenues representing Loan Payments from the County originally deposited in the Revenue Fund and transferred to and deposited in the Debt Service Fund in accordance with the provisions hereof, are sufficient to meet the Debt Service Requirement on all Outstanding Bonds for the next succeeding Interest Payment Date and Principal Installment Date, as applicable. Subject to and after the application of the

provisions of Section 509 hereof, in the event such amounts in the Debt Service Fund are insufficient to meet such Debt Service Requirement on the Outstanding Bonds, the Trustee shall give written notice thereof, by facsimile transmission in accordance with Section 1312 hereof, to the Authority and the Authorized County Representative of such deficiency no later than 4:00 p.m. on the first Business Day after such Loan Payment Date, which notice shall state the amount of such deficiency as at the close of business on any Loan Payment Date and that such deficiency must be cured no later than the next ensuing Interest Payment Date and Principal Installment Date, as applicable. The notice to the Authorized County Representative and the Authority shall also include the amount of the Interest Payment and Principal Installment, as applicable, due and payable and the amount required to be paid by the County to cure such deficiency and to enable the Trustee to make a Debt Service payment on the Outstanding Bonds on the next ensuing Interest Payment Date or Principal Installment Date, as applicable. The receipt of any such notice by the Authorized County Representative shall be acknowledged by the Authorized County Representative to the Trustee within one (1) Business Day after receipt thereof. If the nonpayment of the County is not cured by the applicable Interest Payment Date or Principal Installment Date, as applicable, the County, shall pay to the Trustee, not later than such Interest Payment Date and Principal Installment Date, as applicable, any and all amounts required to pay Debt Service on the Outstanding Bonds.

2. [Reserved].

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

4. The amount, if any, deposited in the Debt Service Fund representing accrued interest, if any, on the proceeds of the Series 2024 Bonds and any Series of Refunding Bonds, shall be set aside in the Account established for such Series of Bonds in such Fund and applied, in accordance with written instructions of the Authority delivered to the Trustee prior to the authentication of such Series of Bonds, to the payment of accrued interest on such Series of Bonds as the same becomes due and payable.

5. In the event of the refunding of any Bonds, the Trustee shall, if an Authorized Authority Representative so directs, in writing, withdraw from the applicable Account in the Debt Service Fund established for the Series of Bonds being refunded all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Series of Bonds being refunded, and set aside such amounts to be held in trust as set forth in such written direction; provided that such withdrawal shall not be made unless (a) immediately thereafter the Series of Bonds being refunded shall be deemed to have been paid pursuant to Section 1301(2) hereof, and (b) the amount remaining in the Debt Service Fund, after giving effect to the issuance of the Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the

requirement of such Fund pursuant to subsection (1) of this Section 508 with respect to the Debt Service Requirement on each Outstanding Series of Bonds and Section 506 hereof.

6. The amount, if any, deposited in the 2024 Account in the Debt Service Fund representing capitalized interest on the Series 2024 Bonds, if any, shall be set aside and applied, in accordance with the written instructions of the Authority delivered to the Trustee prior to the authentication of the Series 2024 Bonds, to the payment of interest due thereon on each Interest Payment Date for the period of time specified in such written instructions.

7. Revenues representing moneys received by the Trustee pursuant to the provisions of Section 6.06 of the Loan Agreement and deposited in the 2024 Account in the Debt Service Fund shall immediately be applied to the payment of Debt Service on the Series 2024 Bonds on the next ensuing Interest Payment Date or Principal Installment Date, as applicable. To the extent such moneys cannot be used to pay Debt Service on the Series 2024 Bonds within thirteen (13) months of deposit, such moneys shall be transferred to the 2024 Account in the Proceeds Fund and applied in accordance with the provisions of Section 507(3) hereof.

Section 509. Debt Retirement Fund. 1. Subject to the limitations contained in subsection (4) of this Section 509, if, on any Loan Payment Date prior to any Interest Payment Date or Principal Installment due date, as the case may be, the amount on deposit in the Debt Service Fund shall be less than the amount required to be in such Fund pursuant to subsection (1) of Section 506, the Trustee shall transfer from the Debt Retirement Fund to the Debt Service Fund an amount (or all of the moneys in the Debt Retirement Fund if less than the amount required) which will be sufficient to make up such deficiency.

2. To the extent not required to make up a deficiency as required in subsection (1) of this Section 509, amounts in the Debt Retirement Fund shall be applied, as rapidly as practicable in the case of mandatory redemption, or, at the written direction of an Authorized County Representative, to the purchase or optional redemption (including redemption premium, if any) of the applicable Series of Bonds.

3. Upon any purchase or redemption pursuant to this Section 509 of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established or delivery to the Trustee for cancellation by the Authority of Bonds of such Series or maturity, there shall be credited toward each such Sinking Fund Installment thereafter to become due an amount bearing the same ratio to such Sinking Fund Installment as the total principal amount of such Bonds so purchased, redeemed, or delivered for cancellation bears to the total amount of all such Sinking Fund Installments to be credited. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

4. The transfers required by subsection (1) of this Section 509 shall be made from amounts in the Debt Retirement Fund only to the extent that such amounts are not then required to be applied to the redemption of Bonds of such Series for which notice of redemption shall have been given by the Trustee to Bondholders.

Section 510. Satisfaction of Sinking Fund Installments. 1. In satisfaction, in whole or in part, of any Sinking Fund Installment, the Authority may deliver to the Trustee at least sixty (60) days prior to the date of such Sinking Fund Installment, for cancellation, Bonds of the Series and maturity entitled to such Sinking Fund Installment. All Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate Redemption Price of such Bonds applicable on the date of such Sinking Fund Installment (or the principal amount thereof if such date be the date of maturity of such Bonds), provided that concurrently with such delivery of such Bonds the Authority shall deliver to the Paying Agent and to the Trustee a certificate of an Authorized Authority Representative specifying: (i) the principal amount, Series, maturity, interest rate and numbers of the Bonds so delivered; (ii) the date of the Sinking Fund Installment in satisfaction of which such Bonds are so delivered; (iii) the aggregate Redemption Price on the date of such Sinking Fund Installment (or the principal amount in the case of any Series of Bonds which mature on such Sinking Fund Installment date) of any Bonds so delivered; and (iv) the unsatisfied balance of such Sinking Fund Installment after giving effect to the delivery of such Bonds.

2. The Trustee shall, upon receipt of the notice required and in the manner provided in Article IV hereof, call for redemption on the date of each Sinking Fund Installment falling due prior to maturity such principal amount of Bonds of the Series and maturity entitled to such Sinking Fund Installment as is required to exhaust the unsatisfied balance of such Sinking Fund Installment.

Section 511. Application of Moneys in the Rebate Fund. (a) The Authority shall determine or shall cause to be determined the amounts necessary to equal the rebate requirement and shall cause the County to deposit such amount in the Rebate Fund and the Authority shall transfer or cause to be transferred by the Trustee at such times and to such Person as required by Section 148 of the Code an amount equal to the rebate requirement from the Rebate Fund. To the extent such amounts on deposit in the Rebate Fund are not sufficient to meet the rebate requirement, amounts shall be immediately paid by the County to the Trustee for deposit in the Rebate Fund.

Notwithstanding anything contained in this Indenture to the contrary, neither the Authority nor the Trustee shall be responsible or liable for any loss, liability, or expense incurred to the extent incurred as a result of the failure of the County to fulfill its obligations with respect to the calculation and payment of the rebate requirement.

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

(c) Moneys held in the Rebate Fund shall be invested and reinvested by the Trustee in Investment Securities defined in clause b.(1) of such definition, as shall be directed by an Authorized Authority Representative, upon written direction of the County, that mature not later than such times as shall be necessary to provide moneys when needed for the payments to be made from such Fund. The interest earned on any moneys or investments in the Rebate Fund shall be retained in such Fund.

(d) Pursuant to the provisions of Section 603(4) hereof, investment earnings from the Accounts in the Revenue Fund and Operating Fund established with respect to Tax-Exempt Obligations may be deposited in the Rebate Fund upon written direction of an Authorized Authority Representative, upon written direction of the County, to the Trustee.

Section 512. Moneys Remaining in Funds and Accounts; Reimbursement of Fiduciary and Authority. Except as set forth in Section 1302 hereof with respect to unclaimed funds, upon the final maturity of any Series of Bonds issued hereunder, any moneys remaining in the Funds and Accounts held under this Indenture for such Series of Bonds shall be paid to each such Fiduciary (to the extent each such Fiduciary has incurred expenses which remain unpaid or unreimbursed, as the case may be) and the Authority (to the extent the Authority has incurred Authority Administrative Expenses which remain unpaid or unreimbursed, as the case may be), by the Trustee, free and clear of the lien and pledge of this Indenture, to the extent required to reimburse such Fiduciary for such expenses and, thereafter, the balance therein (but not including unclaimed funds resulting from defeased bonds of any Series) shall be paid and shall belong to the County free and clear of the lien and pledge of this Indenture.

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ARTICLE VI

DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 601. Depositories. 1. All moneys deposited under the provisions of this Indenture with the Trustee shall constitute trust funds and shall be held in trust and applied only in accordance with the provisions of this Indenture, and each of the Funds and Accounts established by this Indenture shall be a trust fund for the purpose thereof held for the benefit of the Authority and the County, as applicable. The Authority may deposit such moneys with the Trustee in trust for the Authority and the County.

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

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

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

3. All moneys deposited with the Trustee shall be credited to the particular Fund or Account to which such moneys belong and, except as provided with respect to the investment of moneys in Investment Securities in Section 603 hereof, the moneys credited to

each particular Fund or Account shall be kept separate and apart from, and not commingled with, any moneys credited to any other Fund or Account or any other moneys deposited with the Trustee.

Section 603. Investment of Certain Funds. 1. Moneys held in the Revenue Fund or the Debt Service Fund shall be invested and reinvested by the Trustee to the fullest extent practicable in its money market fund as defined in clause b.(1) of the definition of "Investment Securities" in Section 101 hereof, which Investment Securities shall mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in: (i) the 2024 Account in the Acquisition Fund; (ii) the 2024 Account in the Debt Retirement Fund; (iii) the 2024 Account in the Proceeds Fund; and (iv) the 2024 Account in the Operating Fund may be invested and reinvested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in the Rebate Fund, if any, shall be invested and reinvested in accordance with the written instructions received from any Authorized Authority Representative, upon the written direction of the County. The Trustee shall make all such investments of moneys held by it in accordance with written instructions from time to time received from any Authorized Authority Representative, upon the written direction of the County. In making any investment in any Investment Securities with moneys in any Fund established under this Indenture, the Authority, upon the written direction of the County, may instruct the Trustee, in writing, to combine such moneys in any other Fund, if permitted hereunder, but solely for purposes of making such investment in such Investment Securities.

2. All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any losses suffered) earned or any gain realized on any moneys or investments in such Funds shall be transferred upon receipt to the Revenue Fund (except for those amounts specified in clauses (i) and (ii) of Section 506(3) hereof) and applied in accordance with the provisions thereof. The Trustee shall annually notify the County and the Authority, in writing, of such application of such interest and earnings transferred to the Revenue Fund. Interest earned on any moneys or investments in the 2024 Account in the Acquisition Fund shall be held in such 2024 Account until the delivery of a Completion Certificate for the 2024 Project by an Authorized County Representative as required by Section 503(4) of this Indenture at which time such moneys shall be applied in accordance with the provisions of the Completion Certificate.

3. In the absence of written investment direction from an Authorized Authority Representative, the Trustee may invest moneys which the Authority has failed to direct in money market funds as defined in clauses b.(2) and (6) of the definition of "Investment Securities" in Section 101 hereof customarily invested in by the Trustee.

4. Notwithstanding anything herein to the contrary, the Authority, upon the written direction of the County, may direct the Trustee to deposit earnings from the Revenue Fund and any Account in the Operating Fund established for Tax-Exempt Obligations into the Rebate Fund to pay any amounts required to be set aside for rebate to the Internal Revenue Service pursuant to the Code.

5. Nothing in this Indenture shall prevent any Investment Securities acquired as investments of or security for funds held under this Indenture 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 Indenture shall preclude the Trustee from investing or reinvesting moneys through its bond department; provided, however, that the Authority, upon the written direction of the County, may, in its discretion, direct that such moneys be invested or reinvested in a manner other than through such bond department.

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

In computing the amount in any Fund or Account created under the provisions of this Indenture for any purpose provided in this Indenture, obligations purchased as an investment of moneys therein shall be valued at the lesser of cost or market value thereof. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such valuation shall be determined on a monthly basis on the basis of monthly statements produced by the Trustee.

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

Neither the Authority nor the Trustee shall not be liable or responsible for any loss resulting from any such investment, sale or presentation for investment made in the manner provided herein.

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ARTICLE VII

LOAN TO THE COUNTY

Section 701. Terms and Conditions for Loan. The Authority shall loan the proceeds of the Bonds (including the Series 2024 Bonds) to the County and shall enter into the Loan Agreement in the manner, on the terms and conditions and upon submission of the documents required by this Article VII.

Section 702. Form of Loan Agreement. The Loan Agreement shall be in such form as an Authorized Authority Representative determines, with such changes therein as shall be approved by the Authority, as conclusively evidenced by the execution thereof by an Authorized Authority Representative, provided, however, that the Loan Agreement shall in any event conform in all material respects to the provisions of this Indenture.

Section 703. Delivery of Documents in Connection With the Loan Agreement. Prior to or at the execution and delivery of the Loan Agreement and the closing of a Series of Bonds, the Authority and the Trustee shall have received the following documents:

(i) an opinion of County Counsel and/or County Bond Counsel (addressed to the Authority, the County and the Trustee) to the effect that the Loan Agreement was duly authorized by the County and is a direct and general obligation of the County, payable, unless paid from some other source, from the levy of *ad valorem* taxes upon all taxable real property within the jurisdiction of the County, without limitation as to rate or amount;

(ii) a counterpart of the Loan Agreement executed by the County;

(iii) certified copies of the Loan Ordinance and the authorization proceedings for its adoption by the County; and

(iv) such other certificates, documents, opinions and information as the Authority and Bond Counsel may reasonably require in connection with the execution, delivery and implementation of the Loan Agreement and the issuance of such Series of Bonds.

All opinions and certificates required under this Section 703 shall be dated the closing date of such Series of Bonds and the opinions shall be addressed to the party or parties specified in the bond purchase contract executed by the Authority and the underwriter in connection with the sale and award of such Series of Bonds.

Section 704. Default Under the Loan Agreement. The Trustee shall, by 4:00 p.m. on the first Business Day after a Loan Payment Date, immediately notify the Authority and the Authorized County Representative of the Trustee's failure to receive a Loan Payment from the County and of any other event of default under the Loan Agreement known to the Trustee pursuant to the terms hereof.

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

Section 705. The Trustee's Obligations. Subject to the provisions of Section 1003 hereof, the Trustee shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms and conditions of the Loan Agreement including, without limitation, the prompt payment of all Loan Payments and Authority Administrative Expenses, and all other amounts due to the Trustee thereunder, and the observance and performance of all duties, covenants, obligations and agreements thereunder.

The Trustee shall not release the duties, covenants, obligations or agreements of the County under the Loan Agreement and shall at all times, to the extent permitted by State law, defend, enforce, preserve and protect the rights and privileges of the Authority and the Holders under or with respect to the same; provided, however, that this provision shall not be construed to prevent the Trustee (with the written consent of the Authority) from settling a default under the Loan Agreement on such terms as the Trustee shall determine to be in the best interests of the Authority and the Holders. The Authority hereby appoints the Trustee its agent and attorney-in-fact for purposes of enforcing all rights, title and interests of the Authority under the Loan Agreement, subject to the provisions of this Section 705.

Section 706. Termination of the Loan Agreement. Upon the payment in full by the County of all amounts due under the Loan Agreement, the Trustee shall, at the written direction of the Authority, undertake such actions as shall be required to effectuate the termination provisions of the Loan Agreement including, without limitation, the execution of all relevant documents in connection with such actions.

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

Section 708. Insufficiency of or Failure to Make Loan Payments; (a) The Loan Agreement shall provide that the County shall pay on each Loan Payment Date during the Bond Year, Loan Payments which, together with other moneys on deposit in the Debt Service Fund, will equal the Debt Service Requirement on the Outstanding Bonds on the next succeeding Interest Payment Date or Principal Installment Date, as applicable, during each Bond Year. The Loan Payments due under the Loan Agreement shall be on deposit in the Revenue Fund not later than the Loan Payment Date.

(b) In accordance with Section 508 hereof and subject to and after application of the provisions of Section 509 hereof, in the event the County has failed to make a Loan Payment on any Loan Payment Date so that the amounts so received by the Trustee and on deposit in the Debt Service Fund are insufficient to meet the Debt Service Requirement on the

Outstanding Bonds due on the next ensuing Interest Payment Date or Principal Installment Date, as applicable, the Trustee shall notify the Authority and the Authorized County Representative, in writing by facsimile transmission in accordance with Section 1312 hereof, of such deficiency in accordance with the provisions of Section 508(1) hereof. Notwithstanding the above, failure of the Trustee to give the notices required hereunder and under Sections 508(1) and 704 hereof or any defect in the notice to the County shall not relieve the County of its obligations under the Loan Agreement.

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ARTICLE VIII

PARTICULAR COVENANTS OF THE AUTHORITY

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

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

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

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

Section 804. Further Assurance. At any and all times the Authority shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming any and all of the rights, Revenues and other moneys, securities and Funds hereby pledged, or intended so to be, or which the Authority may become bound to pledge to the payment of the principal or Redemption Price of and interest on the Bonds, including any Series thereof.

Section 805. Power to Issue Bonds and Pledge Pledged Property. The Authority is duly authorized under all applicable State laws to create and issue the Bonds, to adopt this Indenture and to pledge the Pledged Property purported to be subjected to the lien of

this Indenture in the manner and to the extent provided in this Indenture. Except to the extent otherwise provided in this Indenture, 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 Indenture, and all action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be the valid and legally binding special and limited obligations of the Authority. The Authority shall at all times, to the extent permitted by State law, defend, preserve and protect the pledge of the Pledged Property under this Indenture and all the rights of the Bondholders under this Indenture against all claims and demands of all Persons whomsoever.

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

Section 807. Accounts and Reports. 1. The Authority shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in accordance with generally accepted accounting principles in which complete and correct entries shall be made of its transactions relating to the amount of Revenues and the application thereof, the expenditure of moneys for the 2024 Project and each Fund or Account established under this Indenture. All books and papers of the Authority shall, subject to the terms thereof, at all times, upon prior reasonable written notice to the Authority, during regular business hours, be subject to the inspection of the Trustee, the County and the Holders of an aggregate of not less than five percent (5%) in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

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

3. The Authority shall cause its books and accounts, including annual balance sheets and statements of income and surplus, to be audited annually by an accountant within one hundred twenty (120) days after the close of its Fiscal Year, and, if requested by the Trustee, to file or cause to be filed with the Trustee, and otherwise as provided by law, a copy of the reports of such audits, including statements in reasonable detail of the status of all funds held by the Trustee pursuant to this Indenture and the security therefor and of the Revenues collected.

4. The Authority shall file or cause to be filed with the Trustee forthwith upon becoming aware of any Event of Default or default in the performance by the Authority of any covenant, agreement or condition contained in this Indenture, a certificate signed by an Authorized Authority Representative specifying such Event of Default or default and the nature and status thereof.

5. The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of this Indenture shall be available for the inspection of

the Bondholders at the principal corporate trust office of the Trustee, who shall file a written request therefor with the Authority. The Authority may charge or cause to be charged each Bondholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

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

Section 809. The Loan Agreement. The Authority shall collect or cause to be collected and forthwith cause to be deposited in the Revenue Fund held by the Trustee all amounts, if any, payable to it by the County pursuant to the Loan Agreement. Upon written request of the Trustee, the Authority shall provide the Trustee with copies of all requests for annual Authority Administrative Expenses under the Loan Agreement. The Authority shall enforce or cause to be enforced all of the provisions of the Loan Agreement. The Authority will not consent or agree to or permit any amendment, change or modification to the Loan Agreement except in accordance with the provisions of Section 815 hereof. Copies of the Loan Agreement certified by an Authorized Authority Representative shall be filed with the Trustee, and copies of any such amendment thereto certified by an Authorized Authority Representative shall be filed with the Trustee.

Section 810. Power to Determine and Collect Loan Payments. The Authority has, and will have as long as Bonds are Outstanding hereunder, good right and lawful power to establish and collect or cause to be established and collected the Loan Payments from the County.

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

(a) an amount equal to the Debt Service on the Outstanding Bonds for such Fiscal Year; and

(b) all other charges or liens whatsoever payable out of Revenues during such Fiscal Year.

Section 812. Acquisition of the 2024 Project and its Operation and Maintenance. 1. The Authority shall cause the County to acquire, construct and/or install the 2024 Project with due diligence and in a sound and economical manner.

2. The Authority shall at all times cause the County to use the 2024 Project capital assets properly and in an efficient and economical manner, consistent with good business practices, and shall maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals thereto.

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

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

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

4. Upon written request of the Trustee, the Authority shall file or shall cause the County to file with the Trustee annually, within one hundred twenty (120) days after the close of each calendar year, certificates of Authorized Authority Representatives and/or Authorized County Representatives, as the case may be, setting forth a description in reasonable detail of the insurances then in effect with respect to the applicable components of the 2024 Project and certifying that the Authority and/or the County, as the case may be, has complied in all respects with their respective requirements pursuant to this Section 813.

Section 814. Application of Insurance Proceeds. The Proceeds of any insurance, including the Proceeds of any condemnation award paid on account of any damage or destruction to the 2024 Project capital assets or any portion thereof (other than any business interruption loss insurance) shall be applied as set forth in Sections 7.05, 7.06 and 7.07 of the Loan Agreement and Sections 503(5), 506(2) and 507(2) hereof.

Section 815. Enforcement of Loan Agreement; Amendments. The Authority shall enforce the provisions of the Loan Agreement and shall duly perform its covenants and agreements thereunder, as applicable, for the benefit of the Trustee and the Bondholders. The Loan Agreement may not be amended, changed, modified, altered or terminated so as to adversely affect the interests of the Holders of any Outstanding Bonds without the prior written consent of (a)(i) the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modifications or amendments, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of each Series so affected then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 815; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any

payment required to be made under the Loan Agreement or extend the time of payment thereof. The Loan Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds to provide necessary changes in connection with the issuance of Refunding Bonds, to cure any ambiguity therein, to correct or supplement any provisions contained in the Loan Agreement which may be defective or inconsistent with any other provisions contained in the Loan Agreement or to provide other changes which will not adversely affect the interest of such Holders. Subsequent to the execution by the Authority and the County of any amendment to the Loan Agreement, a copy thereof, certified by an Authorized Authority Representative, shall be filed with the Trustee in accordance with Section 809 hereof.

Section 816. Additional Covenants With Respect to the Loan Agreement.

So long as any Bonds or any Series thereof shall be Outstanding, the Authority will, at all times:

(1) comply with the obligations on the part of the Authority contained in the Loan Agreement (or any amendment thereto) and require the County to comply with its obligation to make Loan Payments thereunder and to pay all other amounts payable under the Loan Agreement (or any amendment thereto) as the same shall become due and payable; and

(2) promptly take all actions or proceedings necessary or required to compel compliance by such other parties to the Loan Agreement (or any amendment thereto) with respect to the obligations contained therein.

Section 817. [Reserved].

Section 818. General. 1. Upon the date of authentication and delivery of any Series of Bonds, all conditions, acts and things required by law and this Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Series of Bonds, shall exist, have happened and have been performed and the issue of such Series of Bonds, together with all other indebtedness of the Authority, shall comply in all respects with the applicable laws of the State.

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

Section 819. Federal Tax Covenants. The Authority hereby covenants not to take or omit to take any action so as to cause interest on any Series of Tax-Exempt Obligations to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of such Series of Tax-Exempt Obligations. The Authority further covenants that it will make no investments or other use of the proceeds of any Series of Tax-Exempt Obligations which would cause such Series of Tax-Exempt Obligations to be "arbitrage bonds" (as defined in Section 148 of the Code). The Authority further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable.

The Authority further covenants not to cause the Series 2024 Bonds and any additional Series of Tax-Exempt Obligations to become "private activity bonds" (within the meaning of Section 141 of the Code).

Section 820. Secondary Market Disclosure. The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Bonds and the Authority will not provide any such information. Further, the Authority shall have no liability to the Holders of the Bonds or any other Person with respect thereto. The Authority has required the County in the Loan Agreement, as an Obligated Person (as defined under the hereinafter defined Rule), to covenant and agree that it will undertake all responsibilities for compliance with secondary market disclosure requirements pursuant to Rule 15c2-12(b) ("Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as described in the Continuing Disclosure Agreement ("Continuing Disclosure Agreement") to be executed by and between the County and the Trustee, acting as dissemination agent. Notwithstanding any other provision of this Indenture, the failure of the County to comply with the provisions of the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder and the Beneficial Owners of the Bonds (as defined in the Continuing Disclosure Agreement) may take such actions as set forth in the Continuing Disclosure Agreement as may be necessary and appropriate to cause the County to comply with its obligations set forth in the Continuing Disclosure Agreement.

Section 821. Financing Statements. The Authority hereby authorizes the Trustee to prepare and file such financing statements and continuation statements, if applicable, relating to this Indenture (including, but not limited to, the financing statements with respect to the Series 2024 Bonds) and other documents, and to take such other actions as may be required by law in order to create, perfect and continue the security interest provided for under the State Uniform Commercial Code or other applicable laws of the State or under other state or federal law. The Trustee shall perform or shall cause to be performed any acts, and execute and cause to be executed any and all further instruments as may be required by law or as shall be reasonably requested for the protection of the interests of the Trustee and the Bondholders, and shall furnish satisfactory evidence to the Authority of recording, registering, filing and refileing of such instrument and of every additional instrument which shall be necessary to preserve the lien and security interest of this Indenture upon the Pledged Property or any part thereof until the principal of and interest on the Bonds secured hereby shall have been paid. The Trustee shall file at such time or times and in such place or places as the Trustee may be advised by an opinion of counsel will preserve the lien and security interest of this Indenture upon the Pledged Property or any part thereof until the aforesaid principal and interest shall have been paid.

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ARTICLE IX

REMEDIES OF BONDHOLDERS

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

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

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

(iii) if default shall be made in the due and punctual payment of the redemption premium of any Bond when and as the same shall become due and payable; or

(iv) the entering of an order or decree appointing a receiver with the consent or acquiescence of the County or the entering of such order or decree without the acquiescence or consent of the County if it shall not be vacated, discharged or stayed within sixty (60) days after its entry; or

(v) a petition is filed by the County under any Federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Indenture or thereafter enacted, unless in the case of a petition filed against the County, such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal or the County shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the County or any of its property shall be appointed by court order or take possession of the County's property or assets, if such order remains in effect or such possession continues for more than thirty (30) days; or

(vi) if default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, and such default shall continue for a period of sixty (60) days and the Authority shall have failed to commence to cure such default within such sixty (60) day period after written notice thereof to the Authority by the Trustee or to the Authority

and to the Trustee by the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding; or

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

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

then, in each and every case so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable, (a) upon the occurrence of an Event of Default identified in clauses (i), (ii) and (iii) of this Section 901 contained in this Section 901, either the Trustee may (by notice, in writing, to the Authority), or, upon receipt of direction, in writing, from the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding (by notice, in writing, to the Authority and the Trustee), the Trustee shall, declare the principal of all Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, anything in this Indenture or in any of the Bonds to the contrary notwithstanding, or (b) upon the occurrence of an Event of Default identified in clauses (iv), (v), (vi), (vii) or (viii) of this Section 901, the Trustee shall, if so directed in writing by the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding, declare the principal of all Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration, the County shall be obligated to pay such amounts as have become due and payable (as calculated by the Trustee) as Loan Payments to the Trustee and such amount shall be deposited as described in Section 504 hereof

The right of the Trustee or of the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding to make any such declaration as aforesaid,

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

Section 902. Accounting and Examination of Records After Default. 1.

The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Authority shall at all times be subject to the inspection and use of the Trustee and of their agents and attorneys.

2. The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the Authority, upon demand of the Trustee will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds pledged or held under this Indenture for such period as shall be stated in such demand.

Section 903. Application of Pledged Property After Default. 1.

The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon the demand of the Trustee, shall pay over or cause to be paid over to the Trustee or its agent in trust (a) forthwith, all Pledged Property then held by the Authority under this Indenture, 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 IX together with all funds held by the Trustee in any Funds or Accounts under this Indenture as follows and in the following order:

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

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

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

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

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

(b) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

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

Authority and the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 904. Proceedings Brought by Trustee. 1. If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding so in default shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds so in default under this Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Indenture.

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

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

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

5. Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of fifty-one percent (51%) in principal amount of the Bonds so in default then Outstanding and furnished with adequate security and indemnity satisfactory to the Trustee, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Indenture by any acts which may be unlawful or in violation of this Indenture, 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 Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article IX, and the Holders of at least fifty-one percent (51%) in principal amount of the Bonds so in default then Outstanding shall have filed a written request with the Trustee and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or by the Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless

such Holders shall have offered to the Trustee adequate security and indemnity satisfactory to the Trustee against the costs, fees (including reasonable attorneys' fees), expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of thirty (30) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by this Indenture, or to enforce any right under this Indenture, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture 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 Indenture or in the Bonds shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed, the principal of (and redemption premium, if any) and interest on the Bonds to the Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

Section 906. Remedies Not Exclusive. No remedy by the terms of this Indenture 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 Indenture or existing at law or in equity or by statute on or after the date of execution and delivery of this Indenture.

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

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

Section 908. Notice of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default of which the Trustee has actual knowledge to each Registered Owner of Bonds so in default then Outstanding at his address, if any, appearing upon the registry books of the Authority. The Trustee shall also give prompt notice of the occurrence of an Event of Default of which the Trustee has actual knowledge to the Authority and the Paying Agent. For purposes of this Section 908, the Trustee will be deemed to have actual knowledge only if an officer of the corporate trust department of the Trustee has actual first-hand knowledge thereof. The Trustee shall be deemed to have actual knowledge of any payment default if the Trustee shall not have received payment on the date on which such payment was due.

Section 909. Notice to Trustee to Exercise Remedies Under the Loan Agreement. The Authority covenants that if an Event of Default under the Loan Agreement shall occur and be continuing, it will not exercise any of such remedies set forth in the Loan Agreement without written consent of the Trustee thereto, which consent shall not be unreasonably withheld.

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ARTICLE X

CONCERNING THE FIDUCIARIES

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

Section 1002. Paying Agents; Appointment and Acceptance of Duties; Bond Registrar. 1. The Authority shall appoint one or more Paying Agents for the Bonds, and may at any time or from time to time appoint one or more other Paying Agents. All Paying Agents appointed shall have the qualifications set forth in Section 1013 hereof for a successor Paying Agent. The Trustee is hereby appointed a Paying Agent.

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

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

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

Section 1003. Responsibilities of Fiduciaries. 1. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Bonds issued hereunder or as to the security afforded by this Indenture, 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 Indenture to the Authority or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified to its satisfaction. Subject to the provisions of subsection (2) of this Section 1003, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

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 Indenture. 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 Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of this Indenture 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 Indenture, shall examine such instrument to determine whether it conforms to the requirements of this Indenture and shall be protected in acting upon any such instrument believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Indenture 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 Indenture, such matter (unless other evidence in respect hereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Authority Representative, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Indenture 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 Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Authority to any Fiduciary shall be sufficiently executed in the name of the Authority when signed by an Authorized Authority Representative, or in the name of the County by an Authorized County Representative.

Section 1005. Compensation. The Authority shall pay or cause to be paid to each Fiduciary from time to time reasonable compensation for all services rendered under this Indenture, 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 Indenture, in accordance with the agreements made from time to time between the Authority and the Fiduciary and, subject to the rights of Bondholders hereunder, the Trustee and each Paying Agent shall have a lien therefor on any and all Funds at any time held by it under this Indenture. Subject to the provisions of Section 1003 hereof and to the extent permitted by law, the Authority further agrees to indemnify and save each Fiduciary harmless against any losses, liabilities, expenses and fees which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to such Fiduciary's negligence or willful misconduct. The provisions of this Section 1005 shall survive the payment of the Bonds pursuant to Section 1301 hereof.

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

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

Section 1008. Removal of the Trustee. The Trustee may be removed at any time with or without cause by an instrument or concurrent instruments, in writing, filed with the Trustee, and signed by the Holders of fifty-one percent (51%) in principal amount of the Bonds then Outstanding, or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority upon not less than sixty (60) days' written notice to the Trustee, the Authority and the County, and in the case of any removal by the Authority as set forth below, to the Holders of the Bonds, and which notice shall specify the date when such removal takes effect. So long as no Event of Default or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time for reasonable cause (including but not limited to an increase in fees or a failure to competently perform its duties hereunder) by a resolution of the Authority filed with the Trustee upon notice as aforesaid.

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

Bondholders to the Registered Owners of the Bonds then Outstanding and to Moody's, S&P and Fitch, if the Bonds are then rated by such rating agency or agencies.

2. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 1009 within forty-five (45) days after the Trustee shall have given to the Authority and the County written notice as provided in Section 1007 hereof or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, removal, or for any other reason whatsoever, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

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

Section 1010. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority and the County, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Authority or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any properties, rights, interests and estates held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify the Paying Agent(s) and Bond Registrar of its appointment as Trustee.

Section 1011. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Indenture, 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 Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in this Indenture 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 Indenture by giving at least sixty (60) days' prior written notice thereof to the Authority, the County, the Trustee and the Paying Agent or Bond Registrar, as applicable. Any Paying Agent or Bond Registrar may be removed by the Authority at any time by an instrument filed with such Paying Agent or Bond Registrar and the Trustee and signed by an Authorized Authority Representative. Any successor Paying Agent or Bond Registrar shall be appointed by the Authority with the approval of the Trustee and shall be a commercial bank or trust company organized under the laws of any state of the United States or a national banking association having capital stock, surplus and undivided earnings aggregating at least \$100,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

2. In the event of the resignation or removal of any Paying Agent or Bond Registrar, such Paying Agent or Bond Registrar shall pay over, assign and deliver any moneys held by it as Paying Agent or Bond Registrar to its successor, or if there be no successor, to the Trustee, with such documentation satisfactory to the successor Paying Agent and the Trustee, certifying that the amounts being paid over, assigned and delivered represent the remaining balance of all funds so held. In the event for any reason there shall be a vacancy in the office of any Paying Agent or Bond Registrar, the Trustee shall act as such Paying Agent or Bond Registrar.

Section 1014. Advances by Trustee. If the County shall fail to make any payment or perform any of its covenants in the Loan Agreement, the Trustee may (but shall in no case be required), at any time and from time to time, use and apply any moneys held by it under this Indenture, or make advances, to effect payment or performance of any such covenant on behalf of the County. All moneys so used or advanced by the Trustee, together with interest at the Prime Rate plus 2%, shall be repaid by the County upon demand and such advances shall be secured under this Indenture prior to the Bond Payment Obligations. For the repayment of all such advances the Trustee shall have the right to use and apply any moneys at any time held by it (except the moneys in the Rebate Fund) under this Indenture but no such use of moneys or advance shall relieve the County from any default hereunder.

Section 1015. Notice to Rating Agencies. The Trustee shall promptly give written notice to each Rating Agency by registered or certified mail, postage prepaid, of the occurrence of any of the following events: (a) the appointment of a successor Trustee hereunder, (b) the date that no Bonds remain Outstanding, (c) the Trustee becomes aware of any material change made in this Indenture or the Loan Agreement, (d) any redemption of Bonds pursuant to

this Indenture other than mandatory sinking fund redemptions, if any, or (e) the acceleration of the Bonds in accordance with Article IX hereof.

Section 1016 L. 2005, c. 92 Covenant. In accordance with L. 2005, c. 92, the Trustee covenants and agrees that all services performed under this Indenture shall be performed within the United States of America.

Section 1017 Compliance with L. 2005, c. 51. The Trustee represents and warrants that all information, certifications and disclosure statements previously provided in connection with L. 2005, c. 51, which codified Executive Order No. 134 (McGreevey 2004), are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority has relied upon the truth of the statements contained therein in engaging the Trustee in connection with the Bonds. The Trustee agrees that it will maintain continued compliance with L. 2005, c. 51 and any regulations pertaining thereto. The Trustee acknowledges that upon its failure to make required filings thereunder or the making of a contribution prohibited thereunder the Authority may remove the Trustee as trustee under this Indenture and may exercise any remedies afforded to it at law or in equity.

Section 1018 Compliance with L. 2005, c. 271 Reporting Requirements. The Trustee hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to *N.J.S.A.* 19:44A-20.13 (L. 2005, c. 271, section 3) if the Trustee enters into agreements or contracts, such as this Indenture, with a New Jersey public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from New Jersey public entities, such as the Authority, in a calendar year. It is the Trustee's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from at www.elec.state.nj.us.

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ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures 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 Indenture of the Authority may be adopted, with the written consent of the County, which, upon the filing with the Trustee of a copy thereof certified by an Authorized Authority Representative, shall be fully effective in accordance with its terms:

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

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

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

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

(5) Notwithstanding any other provisions of this Indenture, to authorize a Series of Bonds having terms and provisions different than the terms and provisions theretofore provided in this Indenture including, but not limited to, provisions relating to the timing of the payment of interest, maturity amounts and valuation as of a given time, and authorizing the form of the bond for such Series of Bonds; provided that the authorization and issuance of such Series of Bonds shall not in any manner impair or adversely affect the rights or security of the Bondholders under this Indenture; or

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

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

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

(9) To modify any of the provisions of this Indenture 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 Indenture shall cease to be Outstanding; or (ii) if such modification shall become effective prior to the authentication and delivery of the first Bond authorized to be issued pursuant to this Indenture, each Supplemental Indenture shall be specifically referred to in the text of all Bonds authenticated and delivered after the date of the adoption of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof.

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

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

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

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

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

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

3. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Indenture 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 Indenture is authorized or permitted by the provisions of this Indenture.

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

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ARTICLE XII

AMENDMENTS

Section 1201. Mailing and Publication. 1. Any provision in this Article for the mailing of a notice or other matter to Bondholders by the Authority shall be fully complied with if it is mailed postage prepaid only (i) to each Registered Owner of Bonds then Outstanding at such Registered Owner's address, if any, appearing upon the registry books of the Authority kept at the office of the Bond Registrar; and (ii) to the Trustee. If the Bonds are rated by Moody's, S&P and Fitch, then the Authority shall give notice to the rating agency or agencies that rated the Bonds of any material amendments to this Indenture.

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

Section 1202. Powers of Amendment. Any modification or amendment of this Indenture and of the rights and obligations of the Authority and of the Holders of the Bonds hereunder in any particular, may be made by a Supplemental Indenture with the written consent, given as provided in Section 1203 hereof, of: (i) the Holders of at least fifty-one percent (51%) in principal amount of the Bonds Outstanding at the time such consent is given; and (ii) in case the modification or amendment changes the terms of any Sinking Fund Installment, the Holders of one hundred percent (100%) in principal amount of the Bonds of the particular maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 1202. No such modification or amendment shall permit a change in the maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. The Trustee may, in its discretion, determine whether or not, in accordance with the foregoing powers of amendment, Bonds of any particular maturity would be affected by any modification or amendment of this Indenture and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds.

Section 1203. Consent of Bondholders. The Authority may at any time adopt a Supplemental Indenture 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 Indenture (or brief summary thereof or reference thereto approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to the Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as provided in this Section 1203). Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Trustee (a) the written consents of the Holders of the percentages of Outstanding Bonds specified in Section 1202 hereof; and (b) an opinion of Bond Counsel stating that such Supplemental Indenture has been duly and lawfully adopted and filed by the

Authority in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon the Authority and enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally, and (ii) a notice shall have been given as hereinafter provided in this Section 1203. The consent of the Holders of the Bonds shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 1303 hereof. A certificate or certificates executed by the Trustee and filed with the Authority stating that it has examined such proof and that such proof is sufficient in accordance with Section 1303 hereof shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be irrevocable and binding upon the Holder of the Bonds giving such consent and, anything in Section 1303 hereof to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked, in writing, by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 1203 provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer, of such revocation in the manner permitted by this Section 1203. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Authority to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Authority a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 1203, may be given to Bondholders by the Authority by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as in this Section 1203 provided). The Authority shall file with the Trustee proof of the mailing thereof. A record, consisting of the certificates or statements required or permitted by this Section 1203 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee and the Holders of all Bonds at the expiration of forty (40) days after the filing with the Trustee of the proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that the Trustee and the Authority during such forty (40) day period and any such further period during which any such action or proceeding may be binding shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

Section 1204. Modifications by Unanimous Consent. The terms and provisions of this Indenture and the rights and obligations of the Authority and the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the Authority of a Supplemental Indenture and the consents of the Holders of all of the Bonds

then Outstanding, such consents to be given as provided in Section 1203, except that no notice to Bondholders shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary and of the Bondholders.

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

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

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ARTICLE XIII

MISCELLANEOUS

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

2. Principal and/or interest installments for the payment or redemption of which moneys or Investment Securities shall have been set aside and shall be held in trust by the Trustee or Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section 1301. Subject to the provisions of subsection (3) through subsection (5) of this Section 1301, all Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section 1301 if (a) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on or prior to the redemption or maturity date thereof, as the case may be, and (b) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to mail as provided in Article IV hereof a notice to the Holders of such Bonds that the deposit required by subclause (a) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 1301 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection (6) of this Section 1301, to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds, and (c) in case any of said Bonds are to be redeemed on any date prior to their maturity,

the Authority shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to mail as provided in Article IV hereof notice of redemption of such Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date. Any notice of redemption mailed pursuant to the preceding sentence with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Bond. For purposes of this Section 1301 only, the term Investment Securities shall mean only those Investment Securities described in clause b.(1) of the definition of "Investment Securities" contained in Section 101 hereof unless the Authority shall have received written confirmation from Moody's, if the Bonds are then rated by Moody's, S&P, if the Bonds are then rated by S&P, and Fitch, if the Bonds are then rated by Fitch, that defeasance with Investment Securities other than those described in such clause b.(1) of the definition of "Investment Securities" will result in the Bonds being rated in the highest investment grade or category of each such rating agency. The Trustee shall, if so directed by the Authority prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1301 which are not to be redeemed prior to their maturity date or prior to the maturity date of any Bonds deemed to have been paid in accordance with this Section 1301 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Investment Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds so purchased; provided, however, that the moneys and Investment Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient (as verified by an independent certified public accountant, as stated in a verification report addressed to the Authority, the County and the Trustee) to pay when due the Principal Installment, redemption premium, if any, and interest due or to become due on all Bonds, in respect of which such moneys and Investment Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1301 which are not to be redeemed prior to their maturity date or Bonds which are to be redeemed prior to their maturity date, the Authority shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from the Authority to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 1301. The directions given by the Authority to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 1301 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 1301 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Bonds as provided in this Section 1301 such amount is in excess (as verified by an independent certified public accountant addressed to the Authority, the County and the Trustee) of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds in order to satisfy subclause (a) of this subsection (2) of Section 1301, the Trustee shall, upon written direction of the Authority and after payment of all unpaid Authority Administrative Expenses and amounts due pursuant to this Indenture and the Loan Agreement, if any, pay the amount of such excess to the County free

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

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

Investment Securities and that the proceeds of such redemption would not be reinvested by the Trustee.

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

5. In the event that after compliance with the provisions of subsection (4) of this Section 1301 the Investment Securities described in clause (z) of subsection (2) of this Section 1301 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of subclause (a) of subsection (2) of this Section 1301, then any notice of redemption to be mailed by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the Authority, that any redemption date or dates in respect of all or any portion of the Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and that redemption dates may be established for any Bonds deemed to have been paid in accordance with this Section 1301 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment Securities described in clause (z) of subsection (2) of this Section 1301 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change or redemption date or dates or establishment of redemption date or dates may be made unless taking into account such changed redemption date or dates or newly established redemption date or dates the moneys and Investment Securities on deposit with the Trustee including any Investment Securities or redemption proceeds in accordance with subsection (5) of this Section 1301 pursuant to subclause (a) of subsection (2) of this Section 1301 would be sufficient to pay when due the principal or Redemption Price of, and interest on all Bonds deemed to have been paid in accordance with subsection (2) of this Section 1301 which have not as yet been paid.

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

Section 1302. Unclaimed Funds. 1. Anything in this Indenture to the contrary notwithstanding, but subject to any provision of State or Federal law to the contrary, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for four (4) years after the date when such Bonds have become due and

payable, at their stated maturity dates, if such moneys were held by the Fiduciary at such date, or for four (4) years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, upon written direction of the Authority and after payment of all unpaid Authority Administrative Expenses and amounts due pursuant to this Indenture and the Loan Agreement, if any, be paid by the Fiduciary to the County, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the County for the payment of such Bonds; provided, however, that before being required to make any such payment to the County the Fiduciary shall, at the written direction of the Authority and at the expense of the County, cause to be published at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the County, subject to the hereinabove stated conditions and except as set forth in subsection (2) below.

2. Subject to the provisions of Section 1302(1) hereof, to the extent any moneys are remaining in such Funds and Accounts and the Fiduciaries and/or the Authority have unreimbursed expenses and/or Authority Administrative Expenses or there are other unpaid amounts due pursuant to this Indenture and the Loan Agreement, such moneys shall be paid to each such Fiduciary and/or the Authority by the Trustee, free and clear of the lien and pledge of this Indenture, to the extent required to reimburse such Fiduciary and/or the Authority for such expenses, Authority Administrative Expenses, and/or other unpaid amounts and, if thereafter there are any unclaimed moneys remaining in the Funds and Accounts, then to the County.

Section 1303. Evidence of Signatures of Bondholders and Ownership of Bonds. 1. Any request, consent, revocation of consent or other instrument which this Indenture 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 Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

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

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

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

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

Section 1304. Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest or principal due on any date with respect to particular Series of Bonds or for particular Bonds within such Series of Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

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

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

Section 1307. No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Indenture against any member or officer of the Authority or any Person executing the Bonds.

Section 1308. Publication of Notice; Suspension of Publication. 1. Any publication to be made under the provisions of this Indenture 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 Indenture in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Authority shall constitute a sufficient publication of such notice.

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

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

Section 1311. Separate Financings. Nothing contained in this Indenture shall be construed to prevent the Authority from acquiring, constructing or financing through the issuance of its bonds, notes, or other evidences of indebtedness any other public facilities or from securing such bonds, notes or other evidences of indebtedness by a mortgage of such public facilities so financed or by a pledge of, or other security interest in, the revenues thereunder or any lease or other agreement with respect thereto or any revenues derived from such lease or other agreement; provided that such bonds, notes, or other evidences of indebtedness shall not be payable out of or secured by the Revenues or any Fund held under this Indenture and neither the cost of such public facilities nor any expenditure in connection therewith or with the financing thereof shall be payable from the Revenues or from any such Fund hereunder.

Section 1312. Notices and Demands. All notices, demands or other communications provided for in this Indenture shall be in writing and shall be sent by email transmission (confirmed, in writing, and hard copy to follow in the manner prescribed below) or shall be delivered personally, sent by certified or registered mail or by recognized overnight mail, to: (i) the County at Gloucester County Board of County Commissioners, Market Street,

Woodbury, New Jersey 08096, Attn: Clerk of the Board of County Commissioners and Treasurer/Chief Financial Officer of the County, (and (856) 225-5298, respectively; (ii) the Authority at The Gloucester County Improvement Authority, 109 Budd Boulevard, Woodbury, New Jersey 08096, Attn: Executive Director, Fax No. (856) 566-3105; (iii) the Trustee at TD Bank, National Association, 12000 Horizon Way, 3rd Floor, Mount Laurel, New Jersey 4, Attn: Corporate Trust Services, Fax No. (856) 482-5706; and (iv) Bond Counsel to the Authority, Parker McCay P.A., 2 Cooper Street, P.O. Box , Camden, New Jersey 08101, Attn: Jeffrey D. Winitsky, Esq., Fax No. (856) 988-8167; or to such other representatives or addresses as the Authority, the County, the Trustee or Bond Counsel may from time to time designate by written notice to the parties hereto or beneficiaries hereof in accordance with this Section 1312.

The Trustee is hereby instructed to give notice to any Rating Agency then maintaining a rating on the Bonds if: (i) the Trustee resigns or is removed, or a new Trustee is appointed; (ii) there is a call for the redemption of all Bonds; (iii) all of the Bonds are defeased in accordance with Section 1301 hereof; or (iv) any amendment is made to this Indenture or the Loan Agreement.

If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the Authority shall constitute a sufficient notice.

Section 1313. Immunity of Officers, Employees and Members of Authority. No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained against any past, present or future officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of such Bonds.

Section 1314. Limitation on Authority Obligations. Any other term or provision in this Indenture, the Loan Agreement or any other Loan Document to the contrary notwithstanding:

(a) Any and all obligations (including fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the Authority or its members, officers, agents, employees, representatives, advisors or assigns, whether under this Indenture or any of the Loan Documents or elsewhere and whether arising out of or based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever (collectively the "Obligations"), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the Obligation in question is asserted:

- (i) Bond proceeds and investments therefrom; and

(ii) Payments derived from the Bonds, the Indenture (including the Pledged Property to the extent provided in this Indenture) and the Loan Agreement (except for the fees and expenses of the Authority and the Authority's right to indemnification under the Loan Agreement under certain circumstances).

The above provisions (i) and (ii) being collectively referred to as the "exclusive sources of the Obligations".

(b) The Obligations shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein) and the County (to the limited extent as set forth in the Loan Agreement) within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit or taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein) and the County (to the limited extent as set forth in the Loan Agreement), but shall be payable solely from and out of the exclusive sources of the Obligations and shall otherwise impose no liability whatsoever, primary or otherwise, upon or any charge upon the general credit or taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein) and the County (to the limited extent as set forth in the Loan Agreement). The Authority has no taxing power.

(c) In no event shall any member, officer, agent, employee, representative or advisor of the Authority, or any successor or assign of any such Person or entity, be liable, personally or otherwise, for any Obligation.

(d) In no event shall this Indenture be construed as:

(i) depriving the Authority of any right or privilege; or

(ii) requiring the Authority or any member, officer, agent, employee, representative or advisor of the Authority to take or omit to take, or to permit or suffer the taking of any action by itself or by anyone else,

which deprivation or requirement would violate or result in the Authority's being in violation of the Act or any other applicable State or federal law.

(e) At no time and in no event will the County permit, suffer or allow any of the proceeds of the Bonds to be transferred to any Person in violation of, or to be used in any manner which is prohibited by, the Act or any other State or federal law.

Section 1315. Execution in Counterparts. This Indenture 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 1316. Headings. The Article and Section headings in this Indenture are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Indenture.

Section 1317. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

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ARTICLE XIV

BOND FORM

Section 1401. Form of Bonds. Subject to the provisions of this Indenture, the form of the Bonds shall be substantially as follows:

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Unless this bond is presented by an authorized representative of The Depository Trust Company to the Authority or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the Registered Owner hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA
STATE OF NEW JERSEY
THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY
COUNTY GENERAL OBLIGATION LOAN REVENUE BONDS
(HEALTH SCIENCES EDUCATIONAL FACILITIES PROJECTS), SERIES 2024**

No. R-

INTEREST RATE
%

CUSIP NUMBER

MATURITY DATE
March 1, 20__

DATED DATE
September __, 2024

AUTHENTICATION DATE
September __, 2024

REGISTERED OWNER: Cede & Co.

PRINCIPAL SUM:

(DOLLARS)

THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY, in the County of Gloucester, State of New Jersey ("Authority"), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey ("State"), acknowledges itself indebted and for value received hereby promises to pay to the REGISTERED OWNER stated above, or registered assigns, the PRINCIPAL SUM stated above, on the MATURITY DATE stated above or on the date fixed for redemption, as the case may be, together with interest on such PRINCIPAL SUM from the date of this Series 2024 Bond (as hereinafter defined) until the Authority's obligation with respect to the payment of such PRINCIPAL SUM shall be discharged, at the INTEREST RATE per annum stated above semiannually on the first (1st) days of March and September, commencing March 1, 2025. This Series 2024 Bond, as to principal, when due, will be payable at the principal corporate trust office of TD Bank, National Association, 12000 Horizon Way, 3rd Floor, Mount Laurel, New Jersey. Interest on this Series 2024 Bond will be payable by check which will be mailed to the REGISTERED OWNER hereof whose name shall appear on the registration books of the Authority which shall be kept and maintained by the Bond Registrar hereinafter mentioned, as determined on the fifteenth (15th) days of February and August (whether or not a Business Day) ("Record Date"); provided, however, that a REGISTERED OWNER of \$1,000,000 or more in principal amount of the Series

2024 Bonds shall be entitled, upon three (3) Business Days' written notice to the Trustee in advance of the applicable Record Date, to receive interest payments by wire transfer of immediately available funds. Payment of the principal of and interest on this Series 2024 Bond shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This bond is one of the duly authorized issue of a Series of revenue bonds, each designated as "County General Obligation Loan Revenue Bonds (Health Sciences Educational Facilities Projects), Series 2024" ("Series 2024 Bonds" or "Bonds") of the Authority, limited to the aggregate principal amount of \$_____ and authorized and issued under and pursuant to the County Improvement Authorities Law, P.L. 1960, c.183, as amended ("Act"), and under and in accordance with a resolution of the Authority duly adopted July 18, 2024 ("Resolution"), and an Indenture of Trust, dated as of September 1, 2024 ("Indenture"), between the Authority and TD Bank, National Association, as trustee ("Trustee"). Copies of the Resolution and the Indenture are on file in the office of the Authority, 109 Budd Boulevard, Woodbury, New Jersey 08096 and at the principal corporate trust office of TD Bank, National Association, 12000 Horizon Way, 3rd Floor, Mount Laurel, New Jersey 08054 ("Trustee"), as trustee under the Indenture.

This Series 2024 Bond is a special and limited obligation of the Authority payable from the Revenues and equally secured, together with any Series of Refunding Bonds by a parity lien on the Pledged Property (as defined in the Indenture) of the Authority and from any other moneys pledged therefor under the Resolution; provided, however, that the power and obligation of the Authority to cause application of such Pledged Property and other funds to the payment of the principal or Redemption Price of and the interest on the Series 2024 Bonds is subject to the terms of the Resolution.

The Series 2024 Bonds are issued in the form of Registered Bonds, without coupons, in book-entry only form in the denomination of \$5,000 each or any integral multiple thereof.

As defined in the Indenture, and for purposes of this Series 2024 Bond, "Business Day" shall mean any day that is not a Saturday, a Sunday or a legal holiday in the State or the State of New York or a day on which the Trustee, the Bond Registrar, any Paying Agent, the County or the Authority is legally authorized to close. All other terms used herein which are not defined shall have the meanings ascribed to such terms in the Resolution.

The Series 2024 Bonds maturing before March 1, 20__ shall not be subject to optional redemption prior to maturity. The Series 2024 Bonds maturing on or after March 1, 202__ are subject to optional redemption at the option of the Authority, to be exercised upon receipt of notice to the Trustee and the Authority of prepayment from the County in accordance with the terms of the Loan Agreement, on or after March 1, 20__, in whole or in part at any time, and, if in part, in such order of maturity as the County may direct and, within a maturity, by lot (or other customary method of selection determined by the Trustee), at a Redemption Price equal to one hundred percent (100%) of the principal amount of Series 2024 Bonds to be redeemed, plus accrued interest to the redemption date.

Sinking Fund Redemption. The Series 2024 Bonds maturing on March 1, 20__ are subject to mandatory sinking fund redemption prior to maturity at a Redemption Price equal to 100% of the principal amount thereof, plus interest accrued to the redemption date, on the following dates in the respective principal amounts set forth opposite such dates:

<u>March 1 of the Year</u>	<u>Principal Amount</u>
*	\$

* Final maturity.

Unless otherwise provided in the Indenture, if less than all of the Series 2024 Bonds of like maturity shall be called for prior redemption, the particular Series 2024 Bonds or portions of such Series 2024 Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee, in its sole discretion, may deem fair and appropriate; provided, however, that the portion of any such Series 2024 Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof, and that, in selecting portions of such Series 2024 Bonds for redemption, the Trustee shall treat each such Series 2024 Bond as representing that number of Series 2024 Bonds of \$5,000 denomination which is obtained by dividing by \$5,000 the principal amount of such Series 2024 Bond to be redeemed in part.

When the Trustee shall receive notice from the Authority of its election or direction to redeem the Series 2024 Bonds pursuant to Section 402 of the Indenture, including written notice from the County whose consent is required to effectuate the redemption of the Series 2024 Bonds, and when redemption of the Series 2024 Bonds is authorized or required pursuant to Section 403 of the Indenture and the Trustee shall have received written notice from the County of its consent to the redemption of the Series 2024 Bonds, the Trustee shall give notice, in the name of the Authority, of the redemption of such Series 2024 Bonds, which notice shall specify the maturities of the Series 2024 Bonds to be redeemed, the Redemption Price, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2024 Bonds of any like maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2024 Bonds so to be redeemed, and, in the case of the Series 2024 Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2024 Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal amount thereof in the case of the Series 2024 Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the REGISTERED OWNERS of any Series 2024 Bonds or portions of the Series 2024 Bonds which are to be redeemed, at their last addresses appearing upon the registry books. Failure to give notice by mail, or any defect in notice to the

REGISTERED OWNER of any Series 2024 Bonds which are to be redeemed shall not affect the validity of the proceedings for the redemption of any other Series 2024 Bonds.

So long as DTC or its nominee is the REGISTERED OWNER of the Bonds, notices of redemption shall be sent to DTC and not to any Beneficial Owners of the Bonds.

The Trustee shall also comply with any notice or other requirements of DTC to effectuate a redemption of Bonds. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice.

If, on the redemption date, moneys for the redemption of all the Series 2024 Bonds or portions thereof to be redeemed, together with interest thereon to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Series 2024 Bonds or portions thereof so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such notice of redemption shall be rescinded by the Trustee and shall be deemed to be null and void as if never given and such Series 2024 Bonds or portions thereof shall continue to bear interest until paid at maturity at the same rate as they would have borne had they not been called for redemption.

Pursuant to the Indenture, the Authority may hereafter issue Refunding Bonds for the purposes, in the amounts and on the conditions prescribed in the Indenture. All bonds issued and to be issued under the Indenture, including the Series 2024 Bonds and any Series of Refunding Bonds, are and will be equally secured by the pledge of Funds and Revenues provided in the Indenture except as otherwise provided in or pursuant to the Indenture.

To the extent and in the respects permitted by the Indenture, the provisions of the Indenture or any resolution amendatory thereof or supplemental thereto may be modified or amended by action taken on behalf of the Authority in the manner and subject to the conditions and exceptions which are set forth in the Indenture. The pledge of the Pledged Property and other obligations of the Authority under the terms of the Indenture may be discharged at or prior to the maturity or redemption of the Series 2024 Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Indenture.

This Series 2024 Bond is transferable, as provided in the Indenture, only upon the registration books of the Authority which are kept and maintained for that purpose at the principal corporate trust office of TD Bank, National Association, 12000 Horizon Way, 3rd Floor, Mount Laurel, New Jersey ("Bond Registrar"), as registrar under the Indenture, or its successor as Bond Registrar, by the REGISTERED OWNER hereof in Person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Bond Registrar and which is duly executed by the REGISTERED OWNER or by such duly authorized attorney, together with the required signature guarantee, and thereupon the Authority shall issue in the name of the transferee a new registered Series 2024 Bond or Series 2024 Bonds, of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Series 2024 Bond as provided in the Indenture, upon payment of the charges therein prescribed. The Authority, the Trustee, the Bond Registrar and any Paying Agent of the Authority may treat and consider the Person in whose name this Series

2024 Bond is registered as the Holder and absolute Owner of this Series 2024 Bond for the purpose of receiving payment of the principal or Redemption Price of and interest due thereon and for all other purposes whatsoever.

Reference to the Indenture, the Loan Agreement and the Act is made for a description of the nature and extent of the security for the Series 2024 Bonds, the Pledged Property, the Funds pledged for the payment thereof, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the Holders of the Series 2024 Bonds with respect thereto, the terms and conditions upon which the Series 2024 Bonds are issued and upon which they may be issued thereunder, and a statement of the rights, duties, immunities and obligations of the Authority, the County and the Trustee.

THE ACT PROVIDES THAT NEITHER THE MEMBERS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE SERIES 2024 BONDS SHALL BE LIABLE PERSONALLY ON THE SERIES 2024 BONDS BY REASON OF THE ISSUANCE THEREOF.

THE SERIES 2024 BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OR ANY SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY RELATING SOLELY TO THE PLEDGED PROPERTY, AND AS APPLICABLE UNDER AND LIMITED BY THE LOAN AGREEMENT, THE COUNTY), AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE, OR OF ANY SUBDIVISION (OTHER THAN THE AUTHORITY RELATING SOLELY TO THE PLEDGED PROPERTY, AND AS APPLICABLE UNDER AND LIMITED BY THE LOAN AGREEMENT, THE COUNTY), EITHER LEGAL, MORAL OR OTHERWISE. THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE SERIES 2024 BONDS FROM THE REVENUES AND FUNDS PLEDGED THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE COUNTY, AS APPLICABLE, UNDER AND LIMITED BY THE LOAN AGREEMENT), IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2024 BONDS. THE AUTHORITY HAS NO TAXING POWER.

It is hereby certified and recited that all conditions, acts and things which are required by the Constitution or by the statutes of the State, the Resolution or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Series 2024 Bond exist, have happened and have been performed and that the Series 2024 Bonds, together with all other indebtedness of the Authority, are within every debt and other limit prescribed by said Constitution or statutes.

This Series 2024 Bond shall not be entitled to any security or benefit under the terms of the Indenture 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY has caused this Series 2024 Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chairman and its corporate seal to be affixed, impressed or reproduced hereon, and this Series 2024 Bond and such seal to be attested by the manual or facsimile signature of its Secretary, all as of the DATED DATE set forth above.

ATTEST:

THE GLOUCESTER COUNTY
IMPROVEMENT AUTHORITY

, Secretary

BY: _____
, Chairman

[SEAL]

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ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ [PLEASE PRINT OR TYPE NAME, ADDRESS AND TAXPAYER IDENTIFICATION NO. OF ASSIGNEE] the within Series 2024 Bond and all rights hereunder, and hereby irrevocably constitutes and appoints _____, as Attorney, to transfer the within Series 2024 Bond on the registration books of The Gloucester County Improvement Authority with full power of substitution and revocation.

NOTICE: The signature to this assignment must correspond with the name of the REGISTERED OWNER hereof as it appears upon the face of the within Series 2024 Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

SIGNATURE GUARANTEE:
(Medallion Guarantee Program Stamp)

Section 1402. Form of Certificate of Authentication of Trustee or Bond Registrar. The form of Certificate of Authentication by the Trustee or Bond Registrar on the Bonds shall be substantially as follows:

CERTIFICATE OF AUTHENTICATION

This Bond is one of the issue of County General Obligation Loan Revenue Bonds (Health Sciences Educational Facilities Projects), Series 2024 of The Gloucester County Improvement Authority, described and delivered pursuant to the within-mentioned Indenture and being dated September __, 2024.

TD BANK, NATIONAL ASSOCIATION, as
Trustee and Registrar

By: _____
Authorized Signature

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its name and behalf and attested by its duly Authorized Officers, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf attested by its duly Authorized Officer, all as of the day and year first above written.

**THE GLOUCESTER COUNTY IMPROVEMENT
AUTHORITY**

By: _____
CHARLES FENTRESS, Chairman

**TD BANK, NATIONAL ASSOCIATION,
as Trustee**

By: _____
CATHERINE M. ALESSI, Vice President

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LOAN AND SECURITY AGREEMENT

BY AND BETWEEN

THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY

AND

COUNTY OF GLOUCESTER, NEW JERSEY

DATED AS OF SEPTEMBER 1, 2024

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EXCEED AMOUNTS IN 2024 ACCOUNT IN ACQUISITION FUND

EXHIBIT F. TRUSTEE INFORMATION

EXHIBIT G. 2024 PROJECT

THIS LOAN AND SECURITY AGREEMENT, dated as of September 1, 2024, by and between **THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**, a public body corporate and politic and a political subdivision of the State of New Jersey ("State"), organized and existing under the Act (as hereinafter defined) and created pursuant to a resolution of the Board of County Commissioners of the County of Gloucester, New Jersey ("County") adopted on December 19, 1963, and any successor to its duties and functions ("Authority"), and the **COUNTY OF GLOUCESTER, NEW JERSEY**, a body politic and corporate of the State (together with any supplements and amendments hereto, collectively, the "Loan Agreement").

WITNESSETH:

WHEREAS, the Authority is authorized by the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State, as amended and supplemented (*N.J.S.A. 40:37A-44 et seq.*) ("Act"), to provide within the County, public facilities (as defined in the Act) for use by the State, the County or any beneficiary county, or any municipality in the County, or any two (2) or more or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

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

WHEREAS, the Authority has determined, pursuant to the Act, to finance the 2024 Project (as hereinafter defined), all as more particularly described in Exhibit A attached hereto; and

WHEREAS, all actions necessary and required under the Act for the approval of the 2024 Project, including, without limitation, obtaining the consent of the County to undertake the financing and the issuance of the Series 2024 Bonds (as hereinafter defined) and the review of and consent to such financing by the Local Finance Board of the Division of Local Government Services, State Department of Community Affairs, have been and/or will have been taken prior to the issuance of the Series 2024 Bonds; and

WHEREAS, the Authority will, pursuant to the Act, provide for the financing of the Costs (as hereinafter defined) of the 2024 Project by the issuance of the Series 2024 Bonds and the lending of the proceeds thereof to the County pursuant to the terms and conditions set forth in the Bond Resolution (as hereinafter defined), an Indenture of Trust, dated as of September 1, 2024 ("Indenture"), between the Authority and TD Bank, National Association, as trustee ("Trustee"), and in this Loan Agreement; and

WHEREAS, pursuant to the terms of this Loan Agreement, the County is required to make the Loan Payments (as hereinafter defined) to the Authority on each Loan Payment Date (as hereinafter defined) in an amount equal to the debt service on the Series 2024 Bonds due on

the immediately succeeding Interest Payment Date (as hereinafter defined) or Principal Installment Date (as hereinafter defined), as the case may be; and

WHEREAS, the County has authorized the performance of its obligations under this Loan Agreement and the Continuing Disclosure Agreement (as hereinafter defined) through the adoption of the Loan Ordinance (as hereinafter defined); and

WHEREAS, the Series 2024 Bonds will be issued pursuant to the provisions of Sections 201, 202 and 203 of the Indenture.

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

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ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

SECTION 1.01. Definitions. The terms set forth in this Section shall have the meanings ascribed to them for all purposes of this Loan Agreement unless the context clearly indicates some other meaning. Terms used herein and not defined herein shall have the meanings ascribed thereto in the Indenture. Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

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

Acquisition Fund shall mean the Fund so designated, created and established pursuant to Section 502(1) of the Indenture.

Act shall have the meaning set forth in the Recitals to this Loan Agreement.

Additional Loan Payments shall mean any and all amounts payable by the County to the Authority pursuant to this Loan Agreement including, but not limited to, Section 5.02(B) hereof representing additional Costs of the 2024 Project undertaken by the County pursuant to Section 4.11 of this Loan Agreement, and the annual Trustee's fee and annual Authority Administrative Expenses, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses and all direct and indirect costs and expenses incurred by the Authority related to the enforcement of the Indenture and this Loan Agreement, including reasonable attorneys' fees related hereto and thereto.

Annual Authority Administrative Fee shall mean, with respect to: (i) the Series 2024 Bonds, the annual fee for the general administrative expenses of the Authority, due on each anniversary of the Issue Date until such time as the Series 2024 Bonds are no longer Outstanding, in the amount of \$ _____; and (ii) any Series of Refunding Bonds, the amount specified in the applicable Supplemental Indenture authorizing such Series of Refunding Bonds.

Article shall mean a specified Article hereof, unless otherwise indicated.

Authority shall have the meaning set forth in the Recitals to this Loan Agreement.

Authority Administrative Expenses shall mean any and all expenses of the Authority and its agents, professionals and employees incurred or to be incurred by or on behalf of the Authority in the administration of its responsibilities under the Indenture and this Loan Agreement, as applicable, including, but not limited to: (i) the Initial Authority Financing Fee; (ii) the Annual Authority Administrative Fee; (iii) the Project Management Fee with respect to the 2024 Project; (iv) all fees and expenses including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of any Bonds, the financing of the 2024 Project or the compelling of the full and punctual performance of the Indenture and this Loan Agreement in accordance with the terms thereof and hereof; (v) all fees and expenses

including, but not limited to, indemnification expenses, if any, of counsel, auditors, insurers, Fiduciaries, escrow agent for any series of refunded bonds and others; (vi) the Authority's construction monitoring fee, if any; and (vii) any fees and expenses including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Bond Registrar, the Trustee or any escrow agent for any series of refunded bonds or any or all Fiduciaries in connection with the performance of their respective fiduciary responsibilities under the Indenture and this Loan Agreement, all to the extent not capitalized pursuant to the requirements of the Indenture, which Authority Administrative Expenses shall be paid as Additional Loan Payments by the County.

Authorized Authority Representative shall mean any Person or Persons authorized to act on behalf of the Authority by a written certificate signed on behalf of the Authority by the Chairman or Vice Chairperson of the Authority containing the specimen signature of each such Person.

Authorized County Representative shall mean any Person or Persons authorized to act on behalf of the County as shall be set forth in a written certificate signed on behalf of the County by the Director or Deputy Director of the Board of County Commissioners, which form of certificate is set forth as Exhibit D hereto and incorporated by this reference herein.

Bond or **Bonds** shall mean, collectively: (i) the Series 2024 Bonds issued pursuant to Sections 201, 202 and 203 of the Indenture to provide funds to finance the Costs of the 2024 Project; and (ii) any Series of Refunding Bonds.

Bond Counsel shall mean the law firm of Parker McCay P.A., Mount Laurel, New Jersey, or any other lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Authority and acceptable to the Trustee.

Bond Resolution shall mean the resolution adopted by the Authority on July 18, 2024, entitled, "RESOLUTION OF THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$30,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE AUTHORITY'S COUNTY GENERAL OBLIGATION LOAN REVENUE BONDS (ROWAN UNIVERSITY NURSING AND PHYSICIAN ASSISTANT PROGRAM PROJECTS), Series 2024, IN ONE OR MORE SERIES, ON A TAX-EXEMPT OR TAXABLE BASIS; MAKING CERTAIN DETERMINATIONS AND APPROVALS WITH RESPECT TO SAID BONDS; AND AUTHORIZING CERTAIN ACTIONS," as the same may be amended, modified and supplemented in accordance with the provisions thereof.

Bond Year shall mean, with respect to the Series 2024 Bonds, each 1-year period that ends on the day that is selected by the Authority. The first and last Bond Years may be short periods. If no day is selected by the Authority before the earlier of the final maturity date of the Series 2024 Bonds or the date that is five (5) years after the Issue Date in the case of the Series 2024 Bonds, Bond Years shall end on each anniversary of the Issue Date and on the final maturity date of the Series 2024 Bonds. For each Series of Refunding Bonds, Bond Year shall be designated in the Supplemental Indenture pursuant to which such Series of Refunding Bonds is issued.

Bondholder, Holder, Holder of Bonds, or Owner shall mean any Person who shall be the Registered Owner of any Bond or Bonds.

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

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

Completion Certificate shall mean the certificate described in Section 4.05 hereof, executed by the County, wherein, with respect to the 2024 Project, the County certifies as to such matters as the Authority shall require, and which certificate further satisfies the requirements of Section 503(4) of the Indenture.

Completion Date shall mean the date of completion of the 2024P Project, as stated in the County's Completion Certificate described in Section 4.05 hereof.

Continuing Disclosure Agreement shall have the meaning given to such term in Section 5.14 of this Loan Agreement.

Cost or **Costs** shall mean and shall be deemed to include, with respect to the 2024 Project (or any portion thereof), together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of this Loan Agreement, (a) the costs of payment of, or reimbursement for, the acquisition, construction, equipping and furnishing of the 2024 Project including, but not limited to, environmental or remediation costs, advances or progress payments, appraisals, engineering, design, site work, surveys, title insurance, demolition, acquisition costs, construction and equipment costs, installation costs, administrative costs and capital expenditures relating to the 2024 Project, capitalized interest, financing payments, sales taxes, excise taxes, property taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs, fees and charges of the Trustee pursuant to the Indenture, financing documents, legal fees and charges, all financial, accounting and other professional consultant fees, the Initial Authority Financing Fee for a particular Series of Bonds, all professional and consulting fees and charges of the Authority, including but not limited to the Project Management Fee for the 2024 Project, if any, and of the County, costs of rating agencies, bond insurance, bond insurers or credit ratings, fees for the printing, execution, transportation and safekeeping of any Series of Bonds, and any charges and fees in connection with any of the foregoing, subject to any limitations as to amount imposed by the provisions of the Code; (b) all other costs which the County or the Authority shall be required to pay under the terms of any contract or contracts for the acquisition, construction, equipping and furnishing of the 2024 Project including, but not limited to, the cost of insurance; (c) any sums required to reimburse the County for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the 2024 Project; (d) deposits in any Fund or Account under the Indenture, all as shall be provided in the Indenture; and (e) such other expenses not specified herein or in the Indenture as may be necessary or incidental to the acquisition, construction, equipping and furnishing of the 2024 Project, the financing thereof and

the placing of the same in use and operation. Cost as defined herein shall be deemed to include the costs and expenses incurred by any agent of the Authority or the County for any of the above-mentioned items or in connection with the administration and enforcement of the Indenture, the Continuing Disclosure Agreement and this Loan Agreement.

County shall have the meaning set forth in the Recitals to this Loan Agreement.

Debt Retirement Fund shall mean the Fund so designated, created and established pursuant to Section 502(6) of the Indenture.

Debt Service for any period shall mean, as of any date of calculation, with respect to a particular Series of Bonds, including the Series 2024 Bonds, an amount equal to the sum of: (i) the interest accruing during such period on each such Series of Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the 2024 Account in the Debt Service Fund; and (ii) that portion of each Principal Installment which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the immediately preceding Principal Installment due date or, if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of original issuance of a particular Series of Bonds, whichever is later. Such interest and Principal Installments for such Series of Bonds shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

Debt Service Fund shall mean the Fund so designated, created and established pursuant to Section 502(5) of the Indenture.

Debt Service Requirement with respect to the next Interest Payment Date for any Series of Bonds shall mean: (i) in the case of an Interest Payment Date on which interest only shall be due, interest accrued and unpaid and to accrue to such date; and (ii) in the case of an Interest Payment Date on which interest and/or a Principal Installment or Installments shall be due, interest accrued and unpaid and to accrue to such date, if any, plus the Principal Installment or Installments due on such date. The calculations in the preceding sentence shall be made on the basis of a 30-day month and a 360-day year.

Default Interest shall have the meaning given to such term in Section 308(2) of the Indenture.

Default Interest Payment Date shall have the meaning given to such term in Section 308(2) of the Indenture.

Division shall mean the Division of Responsible Party Site Remediation of the NJDEP or any other division of NJDEP responsible for review of environmental cleanup plans.

ECRA shall mean the Environmental Cleanup Responsibility Act, *N.J.S.A.* 13:1K-6 *et seq.*, and the regulations promulgated thereunder.

Environmental Laws shall mean federal, State and local laws and regulations, judgments, orders and permits governing the protection of the environment including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C. §9601 *et seq.*), the Resource, Conservation and Recovery Act, as amended (42 U.S.C. §6901 *et seq.*), the Clean Air Act (42 U.S.C. §7401 *et seq.*), the Toxic Substances Control Act (15 U.S.C. §2601 *et seq.*), and Safe Drinking Water Act (42 U.S.C. §§300f through 300j), ECRA, the New Jersey Spill Compensation and Control Act (*N.J.S.A.* 58:10-23.11 *et seq.*), and any subsequently enacted statutory provisions authorizing equivalent causes of action for claims arising from or related to releases, discharges, threatened releases, or threatened discharges of Hazardous Wastes.

Equipment shall mean, for purposes of Section 4.12 of this Loan Agreement, the Items of equipment constituting the 2024 Project described in Exhibit G hereto, as Exhibit G is amended, supplemented and restated from time to time in connection with the acquisition and installation by the County of any equipment as permitted hereunder in substitution for, as a renewal or replacement of, or a modification, improvement or addition to, any equipment then described in Exhibit G hereto.

Event of Default shall mean a "default" or an "Event of Default" as defined in Section 8.01 hereof but not as defined in Section 901 of the Indenture.

Favorable Opinion of Bond Counsel shall mean an opinion of Bond Counsel, addressed to the Authority, the County and the Trustee, to the effect that the action proposed to be taken is authorized or permitted by the Indenture, any Supplemental Indenture and the Act and will not adversely affect the exclusion of interest on such Series of Tax-Exempt Obligations from gross income for purposes of federal income taxation under Section 103 of the Code.

Fiduciary or **Fiduciaries** shall mean the Trustee, the Paying Agent, the Bond Registrar, the dissemination agent pursuant to the Continuing Disclosure Agreement, or any or all of them, as may be appropriate.

Fiscal Year shall mean the respective twelve (12) month fiscal periods of the County or the Authority, as applicable.

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

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

Hazardous Wastes shall have the meaning set forth in Section 2.01(M) hereof.

Improvements shall mean, for purposes of Section 4.12 of this Loan Agreement, the Items of capital improvements constituting the 2024 Project described in Exhibit G hereto, as Exhibit G is amended, supplemented and restated from time to time in connection with the construction by the County of any capital improvement as permitted hereunder in substitution

for, as a renewal or replacement of, or a modification, improvement or addition to, a capital improvement then described in Exhibit G hereto.

Indenture means the Indenture of Trust, dated as of September 1, 2024, between the Authority and the Trustee, as the same may be amended and supplemented by a Supplemental Indenture.

Initial Authority Financing Fee shall mean, with respect to: (i) the Series 2024 Bonds, the amount set forth in the Indenture; and (ii) any Series of Refunding Bonds, the amount specified in the applicable Supplemental Indenture authorizing such Series of Refunding Bonds.

Interest Payment Date shall mean: (i) with respect to the Series 2024 Bonds, each March 1 and September 1, commencing March 1, 2025; and (ii) such other dates as shall be established by a Supplemental Indenture authorizing any Series of Refunding Bonds. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

Issue Date shall mean, with respect to: (i) the Series 2024 Bonds, September ___, 2024; and (ii) any Series of Refunding Bonds, the date on which the Trustee authenticates such Series of Refunding Bonds and on which such Series of Refunding Bonds are delivered to the purchasers thereof upon original issuance.

Item shall mean a particular Item of Equipment or specific Improvement, provided however that each Item of Equipment or Improvement may include more than one Unit.

Loan shall mean the loan made by the Authority to the County in the aggregate principal amount of \$ _____ to finance the aggregate Costs of the 2024 Project under the terms and conditions set forth herein.

Loan Agreement shall mean this Loan and Security Agreement, dated as of September 1, 2024, by and between the Authority and the County, together with any supplements and amendments hereto, relating to the 2024 Project to be financed with the proceeds of the Loan., as such Loan Agreement may be amended and supplemented hereafter from time to time.

Loan Documents shall mean, collectively, this Loan Agreement, the Indenture, the Continuing Disclosure Agreement, the Bond Resolution and all documents and instruments executed and delivered in connection herewith and therewith and all amendments and modifications hereto and thereto.

Loan Ordinance shall mean the ordinance finally adopted by the County on or about July 17, 2024 and entitled, "AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF GLOUCESTER, NEW JERSEY AUTHORIZING AND APPROVING THE ENTERING INTO, EXECUTION AND DELIVERY OF: (I) A LOAN AND SECURITY AGREEMENT BY AND BETWEEN THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY AND THE COUNTY; (II) ONE OR MORE LEASE AND AGREEMENTS BY AND BETWEEN ROWAN UNIVERSITY AND THE

COUNTY; (III) A GROUND LEASE AGREEMENT BY AND BETWEEN THE COUNTY AND ROWAN UNIVSERITY; AND (IV) A CONTINUING DISCLOSURE AGREEMENT, ALL RELATING TO THE ISSUANCE BY THE AUTHORITY OF ITS COUNTY GENERAL OBLIGATION LOAN REVENUE BONDS (Rowan UNIVERSITY NURSING AND PHSYICIAN ASSISTANT PROGRAM PROJECTS), SERIES 2024, IN ONE OR MORE SERIES, AND AUTHORIZING OTHER NECESSARY ACTION IN CONNECTION WITH SAID FINANCING," approving and authorizing the execution and delivery, among other things, of this Loan Agreement and the Continuing Disclosure Agreement by the County and the performance of its obligations hereunder and thereunder, including payment of Loan Payment obligations hereunder and Debt Service on any Bonds issued by the Authority, including the Series 2024 Bonds.

Loan Payment shall mean the sum of money representing principal and interest for the 2024 Project necessary to amortize Debt Service on the Series 2024 Bonds payable by the County on each Series 2024 Bonds Loan Payment Date, as set forth in Exhibit A hereto and incorporated by this reference herein, as described in Section 5.02(A) hereof and redemption premium, if any, to the extent required to redeem the Series 2024 Bonds pursuant to Article IV of the Indenture and, as applicable, Additional Loan Payments payable by the County upon demand pursuant to Section 5.02(B) hereof.

Loan Payment Date shall mean: (i) with respect to the Series 2024 Bonds, five (5) Business Days prior to the applicable Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as the case may be; and (ii) such other dates determined in accordance herewith as may be set forth in a Supplemental Indenture authorizing any Series of Refunding Bonds.

Loan Term shall mean the period during which this Loan Agreement is in effect as specified in Section 5.01 hereof.

Month shall mean a calendar month.

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

NJDEP shall mean the New Jersey Department of Environmental Protection or any successor agency.

Official Statement shall mean the Official Statement of the Authority, dated September __, 2024, prepared in connection with the offering and sale of the Series 2024 Bonds.

Operating Fund shall mean the Fund so designated, created and established pursuant to Section 502(3) of the Indenture.

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

- (i) Bonds canceled by the Trustee at or prior to such date;

- (ii) Bonds (or portions of Bonds) for the payment of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, together with interest to accrue thereon to the date of maturity or redemption date, shall be held in an irrevocable trust under the Indenture and set aside for such payment or redemption (whether at or prior to the maturity date); provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as specified in Article IV of the Indenture;
- (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII of the Indenture and as described in Section 1206 of the Indenture; and
- (iv) Bonds deemed to have been paid as provided in Section 1301 of the Indenture.

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

Pledged Property shall mean: (i) the Revenues; (ii) the Funds and Accounts established under the Indenture (other than the Rebate Fund), including Investment Securities held in any such Funds or Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of the Indenture.

Prepayment shall mean any amounts received as prepayments of Loan Payments pursuant to Section 5.06 hereof.

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

Principal Installment Date shall mean: (i) with respect to the Series 2024 Bonds, each March 1, commencing March 1, 2025; or (ii) such other date as set forth in a Supplemental Indenture authorizing any Series of Refunding Bonds. In the event a Principal Installment Date is not a Business Day, principal shall be paid on the next succeeding Business Day for the Principal Installment payable on the Principal Installment Date.

Proceeds shall mean any insurance, condemnation, performance bond, letter of credit or any other financial guaranty proceeds paid with respect to the 2024 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 7.05 of this Loan Agreement, any moneys payable from any self-insurance fund of the County which may lawfully be expended for the purposes for which such self-insurance is provided.

Proceeds Fund shall mean the Fund so designated, established and created pursuant to Section 502(4) of the Indenture.

Project Management Fee shall mean all fees and costs attributable to the Authority's management and oversight services provided in connection with the planning, pre-construction, construction and post-construction phases of the 2024 Project. The Authority shall invoice the County at predetermined and mutually agreed upon rates, on a monthly or such other periodic basis throughout the construction period for the 2024 Project, as agreed to by the Authority and the County, for services performed by the Authority in carrying out the 2024 Project for the benefit of the County. The County shall ensure timely payment of each invoice presented by the Authority for payment from amounts on deposit in the 2024 Account in the Acquisition Fund or from other available funds of the County, as the case may be.

Projects shall mean, collectively: (i) the development and construction of the new Rita and Larry Salva School of Nursing and Health Professions, an approximately 41,000 square foot state-of-the-art nursing school facility to include classrooms, laboratories, offices and administrative space to be built on approximately two acres of land adjacent to the South Jersey Technology Park on the north side of Rowan University's west Campus; (ii) the development and construction of an expansion to the Rowan College of South Jersey's Sewell, New Jersey campus facilities to include the Rowan-Virtua School of Osteopathic Medicine's Physician Assistant program, which includes an approximately 12,000 square foot addition to such facilities; and (iii) the completion of such other improvements and work and the acquisition of such equipment and materials as may be necessary or appropriate for the completion of the capital improvements described in clauses (i) and (ii), above.

Rebate Fund shall mean the Fund so designated, created and established pursuant to Section 502(7) of the Indenture.

Record Date shall mean: (i) with respect to the Series 2024 Bonds, February 1 and August 1 immediately preceding any Interest Payment Date; or (ii) such other dates as set forth in a Supplemental Indenture authorizing any Series of Refunding Bonds.

Refunding Bonds shall mean any Bonds authenticated and delivered on original issuance pursuant to Section 205 of the Indenture, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII of the Indenture and as described in Section 1206 of the Indenture.

Registered Owner shall mean the Owner of any Bond which is issued in fully registered form, as determined on the Record Date, as reflected on the registration books of the

Authority which shall be kept and maintained on behalf of the Authority at the principal corporate trust office of the Bond Registrar.

Revenues shall mean: (i) all amounts, including Loan Payments, received by the Authority from the County under this Loan Agreement; (ii) any moneys or securities held pursuant to the Indenture and paid or required to be paid into the Debt Service Fund; (iii) interest received on any moneys or Investment Securities held under the Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to the Indenture; and (v) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Bonds pursuant to a Supplemental Indenture.

Rule shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Series shall mean all of the Bonds of a Series authenticated and delivered upon original issuance at one or more times and pursuant to the Indenture and any Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII of the Indenture and as described in Section 1206 of the Indenture, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

Series 2024 Bonds shall mean the Authority's County General Obligation Loan Revenue Bonds (Health Sciences Educational Facilities Projects), Series 2024, in the original principal amount of \$_____, authorized in accordance with the terms of the Act, designated, authenticated and delivered to the Underwriter upon original issuance pursuant to Section 203 of the Indenture, and issued as Tax-Exempt Obligations to finance the 2024 Project.

Sinking Fund Installment shall mean that designated amount on deposit in the Debt Service Fund which shall be applied by the Trustee to the redemption of Bonds of any Series which amount is established pursuant to subsection (7) of Section 203 of the Indenture.

Standard & Poor's or **S&P** shall mean S&P Global Ratings a division of Standard & Poor's Financial Services LLC, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

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

Supplemental Indenture shall mean any indenture supplemental to or amendatory of the Indenture adopted by the Authority in accordance with Section 205 and Article XI of the Indenture.

Tax-Exempt Obligations shall mean any Series of Bonds, including the Series 2024 Bonds, which are issued pursuant to the terms of the Indenture together with an opinion of Bond Counsel to the effect that the interest on such Series of Bonds is not included for federal

income tax purposes in the gross income of the Owners thereof pursuant to Section 103 of the Code.

Trustee shall mean, with respect to the Series 2024 Bonds and any Series of Refunding Bonds issued under the Indenture, TD Bank, National Association, Mount Laurel, New Jersey and its successors and assigns or any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to the Indenture or appointed trustee pursuant to a Supplemental Indenture.

2024 Project shall mean the Costs: (i) of acquisition, installation, construction and equipping of the Projects to be financed with the proceeds of the Series 2024 Bonds; and (ii) incidental to the issuance and sale of the Series 2024 Bonds.

Underwriter shall mean, collectively, Raymond James & Associates, Inc. as senior managing underwriter and representative of the underwriters, and Stifel Nicolaus & Company, Inc., as co-managing underwriter, for the Series 2024 Bonds.

Unit shall mean, with respect to each Item, an individual Improvement or piece of Equipment which is designated in Exhibit G hereto as being a Unit of such Item of Improvement or Equipment.

Yield shall mean that yield which when used in computing the present worth of all payments of principal of and interest on an obligation produces an amount equal to its purchase price. The Yield for any Series of Bonds which are issued as Tax-Exempt Obligations is to be computed in accordance with Treasury Regulations Section 1.148-4. The Yield on an investment is to be computed in accordance with Treasury Regulations Section 1.148-5.

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ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.01. County's Representations and Warranties. The County represents and warrants that:

(A) It is a duly formed and validly existing political subdivision of the State governed by the Constitution and laws of the State, with full power and legal right to enter into this Loan Agreement and to perform its obligations hereunder, and under any other Loan Documents to which it is a party.

(B) The entering into of this Loan Agreement by the County and the performance of its obligations thereunder and hereunder have been duly authorized by all necessary action of its governing body and does not violate or constitute, on the part of the County, a violation of, breach of or default under any agreement, indenture, mortgage, deed of trust, instrument or other document by which the County or any of its properties are bound or with respect to any law, statute, rule or regulation or, to the knowledge of the County, order of any court or governmental agency.

(C) This Loan Agreement constitutes a legal, valid and binding obligation of the County, enforceable in accordance with its terms, subject to bankruptcy, insolvency or other similar laws or equitable principles affecting generally the enforcement of creditors' rights.

(D) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the knowledge of the County, threatened, or any basis therefor, wherein an unfavorable decision, ruling or finding would: (1) result in any material adverse change in the financial condition, properties or operations of the County that would materially adversely affect the ability of the County to make Loan Payments; (2) materially adversely affect the ability of the County to perform its obligations under this Loan Agreement; (3) materially impair the 2024 Project; (4) materially adversely affect the transactions contemplated by this Loan Agreement; or (5) adversely affect the validity or enforceability of the Series 2024 Bonds, the Bond Resolution, the Indenture, this Loan Agreement, or any other documents related to the 2024 Project.

(E) Neither the execution and delivery of this Loan Agreement nor the fulfillment of or compliance with the terms and conditions contained herein is prevented, limited by, conflicts with or results in a breach of, the terms, conditions or provisions of (1) any law, rule, regulation or, to the knowledge of the County, order of any court or governmental agency, or (2) any agreement, instrument or evidence of indebtedness to which the County is bound, or constitutes a default under any of the foregoing. All consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the undertaking of the 2024 Project and the transactions contemplated hereby and by the other Loan Documents either have been obtained or are reasonably expected to be obtained in due course.

(F) All statements, representations and warranties made by the County in connection with the financing of the 2024 Project, the issuance of the Series 2024 Bonds, or the Loan Documents or in any other document, agreement, certificate or instrument delivered or to be delivered by the County in connection with any of the foregoing shall be true, correct and

complete in all material respects at the time they were made and on and as of the Issue Date of the Series 2024 Bonds, and no information has been or will be omitted which would make any of the foregoing misleading or incomplete.

(G) There has been no material adverse change in the financial condition or operation of the County not reflected in any financial statement, certificate or any other document submitted by the County to the Authority.

(H) No legislation has been enacted which in any way adversely affects the execution and delivery of this Loan Agreement or the adoption of the Loan Ordinance or the creation, organization or existence of the County or the titles to office of any officials thereof or the power of the County to carry out its obligations under this Loan Agreement.

(I) Except as otherwise disclosed in the Official Statement, the County is not a party to any indenture, loan, any other agreement, resolution, contract, instrument, or subject to any restriction, which may reasonably be expected to have a material adverse effect on its properties, operations or conditions, financial or otherwise, or on its ability to carry out its obligations under this Loan Agreement.

(J) The County is not, as of the date hereof, in default or noncompliance in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party or by which it is bound or with respect to any law, statute, rule or regulation or, to the knowledge of the County, any judgment, writ, injunction or order of any court or governmental agency.

(K) The County has not taken and will not take any action and knows of no action that any other Person has taken or intends to take, which would cause this Loan Agreement to be invalid or unenforceable in whole or in part or which would cause the interest income on any Series of Tax-Exempt Obligations, including the Series 2024 Bonds, to be included in the gross income of the Holders thereof under the Code.

(L) The undertaking of the 2024 Project in the manner presently contemplated will not materially conflict with any current zoning, water, air pollution or other ordinances, orders, laws or regulations applicable thereto. The County will acquire the 2024 Project in accordance with all federal, State and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality. The County will acquire and complete the 2024 Project pursuant to this Loan Agreement.

(M) The County shall not bring, allow, use or permit upon the capital assets comprising the 2024 Project or generate or create at or emit or dispose from the assets comprising the 2024 Project any toxic or hazardous gaseous, liquid or solid materials or waste including, without limitation, materials or substances having characteristics of ignitability, corrosivity, reactivity or extraction procedure toxicity or substances or materials which are listed on any of the United States Environmental Protection Agency's list of hazardous wastes which are identified in Appendix "A" of *N.J.A.C. 7:1E* as the same may be amended from time to time (collectively, "Hazardous Wastes"), other than in accordance with applicable Environmental Laws. In the event any such Hazardous Wastes are brought or deposited upon the assets comprising the 2024 Project, the County shall cause the removal of same in such manner as is

prescribed by all applicable Environmental Laws. The County shall comply, at its sole cost, with all Environmental Laws and shall indemnify and hold the Authority harmless from any claims, liabilities, costs or expenses incurred or suffered by the Authority arising from such bringing, allowing, using, permitting, generating, creating or omitting or disposing upon the assets comprising the 2024 Project. The County's indemnification and hold harmless obligations include, without limitation: (i) claims, liabilities, costs or expenses resulting from or based upon administrative, judicial (civil or criminal) or other actions, legal or equitable, brought by any private or public Person under any Environmental Laws; (ii) claims, liabilities, costs or expenses pertaining to the clean-up or containment of Hazardous Wastes, the identification of the pollutants in the Hazardous Waste, the identification of the scope of any environmental contamination, the removal of pollutants from soils, riverbeds or aquifers, the provision of any alternative public drinking water source, or the long term monitoring of ground water and surface waters; and (iii) all costs of defending such claim including reasonable counsel fees. Notwithstanding any contrary provision herein, the provisions of this indemnity shall survive the Loan Term.

Should the Division or any other division of NJDEP determine that a cleanup plan be prepared, and that a cleanup be undertaken because of any spills or discharges of Hazardous Wastes at any of the assets comprising the 2024 Project which occur during the Loan Term, then the County shall, at the County's own expense, prepare and submit the required plans and financial assurances, and carry out the approved plans.

The County and the Authority recognize that no ECRA approvals have been obtained as of the commencement of this Loan Agreement. Therefore, in the event ECRA compliance becomes necessary with respect to the 2024 Project, the County shall, at the County's own expense, comply with ECRA. The County shall also provide all information within the County's control requested by the Authority or the Division for preparation of non-applicability affidavits should the Authority or NJDEP so request, and the County shall promptly execute such affidavits should the information contained therein be found by the County to be complete and accurate.

(N) The County shall apply the proceeds from the sale of the Series 2024 Bonds for the respective purposes specified and in the manner provided for in this Loan Agreement.

(O) The County shall annually provide moneys for payment of its Loan Payment obligations hereunder (including, but not limited to, Debt Service on any Bonds issued by the Authority which are Outstanding under the Indenture, including the Series 2024 Bonds, and Additional Loan Payments).

(P) Any certificate signed by an Authorized County Representative and delivered to the Trustee or the Authority shall be deemed a representation and warranty by the County to the Trustee or the Authority, as the case may be, as to the statements made therein.

SECTION 2.02. Authority Representations and Findings. The Authority hereby confirms its findings and represents that:

(A) It is a public body corporate and politic constituting an instrumentality of the State, duly organized and existing under the laws of the State, particularly the Act. The Authority is authorized to issue the Series 2024 Bonds in accordance with the Act and to use the proceeds from the sale of the Series 2024 Bonds to make the Loan to the County.

(B) The Authority has complied with the provisions of the Act and has full power and authority pursuant to the Act to consummate all transactions contemplated by this Loan Agreement, the Series 2024 Bonds, the Indenture and any and all other agreements relating thereto and to issue, sell and deliver the Series 2024 Bonds as provided in the Indenture.

(C) By the Bond Resolution and the Indenture, each duly and finally adopted or executed, as the case may be, the Authority has duly authorized the execution, delivery and due performance of this Loan Agreement and the Series 2024 Bonds and the taking of any and all actions as may be required on the date hereof on the part of the Authority to carry out, give effect to and consummate the transactions contemplated by the Bond Resolution, the Indenture, the Series 2024 Bonds and this Loan Agreement. All approvals of the Authority necessary in connection with the foregoing have been received.

(D) The Series 2024 Bonds have been duly authorized, executed, issued, sold and delivered and constitute valid and binding direct, limited and special obligations of the Authority, the principal of, redemption premium, if any, and interest on which are payable solely from the Revenues derived pursuant to this Loan Agreement and pledged therefor by the Indenture. The Series 2024 Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by this Loan Agreement, the County, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by this Loan Agreement, the County, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof other than, as applicable under and limited by this Loan Agreement, the County.

(E) The adoption of the Bond Resolution and the execution and delivery of the Indenture, this Loan Agreement and the Series 2024 Bonds, and compliance with the provisions hereof and thereof, do not conflict with or constitute on the part of the Authority a violation of the Constitution of the State or a violation or breach of or default under its by-laws or any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the Authority is a party or by which the Authority is bound or, to the knowledge of the Authority, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of its activities or properties. All consents, approvals, authorizations and orders of governmental or regulatory authorities which are required to be obtained by the Authority for the consummation of the transactions contemplated hereby and thereby have been obtained.

(F) The Authority shall apply the proceeds from the sale of the Series 2024 Bonds and the Revenues derived under this Loan Agreement for the purposes specified and in the manner provided in this Loan Agreement and the Indenture.

(G) Except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity, or before or by any court, public board or body pending or, to the knowledge of the Authority, threatened against or affecting the Authority, or any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby, or which in any way would materially adversely affect the validity of the Series 2024 Bonds, the Indenture, this Loan Agreement or any other agreement or instrument to which the Authority is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby or the exclusion from taxation as set forth herein.

(H) Any certificate signed by an Authorized Authority Representative and delivered to the Trustee or the County shall be deemed a representation and warranty by the Authority to the Trustee or the County, as the case may be, as to the statements made therein.

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ARTICLE III

ISSUE OF SERIES 2024 BONDS; LENDING CLAUSE

SECTION 3.01. Issue of the Series 2024 Bonds; Lending Clause. (A) The Authority shall issue, sell and deliver the Series 2024 Bonds in accordance with the terms of the Indenture, subject to the execution of one or more bond purchase contracts by and between the Authority and the Underwriter for the Series 2024 Bonds.

(B) The Authority agrees to lend to the County, and the County agrees to borrow from the Authority, the proceeds of the Series 2024 Bonds (including income earned on the investment of Series 2024 Bond proceeds), to be used in the manner prescribed herein and in the Indenture to: (i) finance the Costs of the 2024 Project; and (ii) pay certain Costs incidental to the issuance and sale of the Series 2024 Bonds. The County agrees to use its best efforts to expend the Series 2024 Bond proceeds to complete acquisition, construction, equipping and furnishing of the 2024 Project no later than September ___, 2029.

(C) Upon original issuance of the Series 2024 Bonds, proceeds thereof (including accrued interest, if any) shall be paid to the Trustee and applied in accordance with an order of the Authority simultaneously with the delivery thereof as follows: (i) an amount equal to the accrued interest, if any, on the Series 2024 Bonds for deposit in the 2024 Account in the Debt Service Fund established for the Series 2024 Bonds; (ii) an amount representing costs of issuance, subject to any limitations as to amount imposed by the provisions of the Code, for the Series 2024 Bonds, including the allocable portion of the Initial Authority Financing Fee, for deposit in the 2024 Account in the Operating Fund and paid to the Authority in accordance with Section 505(2) of the Indenture; and (iii) the remaining Series 2024 Bond proceeds shall be deposited into the 2024 Account in the Acquisition Fund established for the Series 2024 Bonds and paid in accordance with Section 503 of the Indenture.

SECTION 3.02. Benefit of Bondholders. This Loan Agreement is executed in part to induce the purchase by others of the Series 2024 Bonds and, accordingly, all covenants, agreements and representations on the part of the County and the Authority, each as set forth in this Loan Agreement, are hereby declared to be for the benefit of the Holders from time to time of the Series 2024 Bonds. As such, any of the Funds created under the Indenture (excluding the Rebate Fund) and any moneys held therein shall be assigned by the Authority to the Trustee to secure repayment of the Series 2024 Bonds. The County, by execution hereof, consents to such assignment for the benefit of the Bondholders to secure repayment of the Series 2024 Bonds.

SECTION 3.03. Compliance With Indenture. The County covenants and agrees to do all things within its power to comply with and to enable the Authority to comply with the Indenture, this Loan Agreement and any other Loan Documents to which the Authority is a party and to fulfill and to enable the Authority to fulfill all covenants of the Indenture and the Loan Documents.

ARTICLE IV

ACQUISITION OF THE 2024 PROJECT

SECTION 4.01. The 2024 Project. (a) The Authority and the County have agreed that the County shall acquire, construct, equip and furnish the 2024 Project in accordance with all statutory and regulatory requirements. The County agrees that it will use its best efforts to cause such acquisition, construction, equipping and furnishing of the 2024 Project to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond its reasonable control only excepted; but if for any reason such acquisition, construction, equipping and furnishing is delayed there shall be no diminution in or postponement of the amounts payable to the Authority by the County under this Loan Agreement.

(b) The County shall be responsible for the letting of contracts and for conducting the due diligence on the 2024 Project, including appraisals, title work, environmental surveys, etc., and obtaining all consents, approvals, permits and the like in connection with or relating to the acquisition, construction, equipping and furnishing of the 2024 Project.

(c) The County acknowledges that the Authority makes no warranties or representations and accepts no liabilities or responsibilities with respect to or for the adequacy, sufficiency or suitability of or defects in the 2024 Project or any contracts or agreements with respect to the 2024 Project. In no event shall the Authority be liable for any damages, incidental, direct, indirect, consequential or otherwise in connection with or arising out of the undertaking of the 2024 Project or this Loan Agreement.

SECTION 4.02. Deposits to Acquisition Fund. The net proceeds of the Series 2024 Bonds, less the proceeds thereof deposited in the Debt Service Fund, if any, and the Operating Fund (for Costs consisting of costs of issuance with respect to the Series 2024 Bonds) pursuant to the provisions of the Indenture and the written order of the Authority as to delivery of the Series 2024 Bonds pursuant to Section 202(1)(b) of the Indenture, will be deposited in the 2024 Account in the Acquisition Fund established under the Indenture and shall be used by the County for payment of Costs of the 2024 Project (including payment of the Project Management Fee, if any) or to reimburse the County for any Cost of the 2024 Project upon requisition by the County as provided in Section 503 of the Indenture and Section 4.03 of this Loan Agreement. The County agrees that the sums so requisitioned from the 2024 Account in the Acquisition Fund will be used to pay or to reimburse the County for the Costs of the 2024 Project. If for any reason the amount in the 2024 Account in the Acquisition Fund proves insufficient to pay all Costs of the 2024 Project and in the event the County elects: (i) to undertake such remaining portions of the 2024 Project, the County shall pay the remainder of such Costs in accordance with the provisions of Section 4.11 hereof; or (ii) not to undertake such remaining portions of the 2024 Project, the County shall prepare and file with the Trustee the County's Completion Certificate in accordance with the provisions of Section 4.05 of this Loan Agreement. The County shall have the right to enforce payments from the 2024 Account in the Acquisition Fund upon compliance with the procedures set forth in this Section 4.02, Section 4.03 hereof and Section 503 of the Indenture and, in the case of reimbursement for prior advances made by the County, upon compliance with the procedures set forth in the Certificate as to Nonarbitrage and Other Tax Matters executed by the Authority and the County in connection with the issuance of

the Series 2024 Bonds; provided that, during the continuance of an Event of Default (as defined in the Indenture), the Trustee shall apply the Pledged Property including, but not limited to, the 2024 Account in the Acquisition Fund in accordance with the provisions of Article IX of the Indenture and the Loan Documents.

SECTION 4.03. Payments From Acquisition Fund. The Authority has, in Section 503 of the Indenture, authorized and directed the Trustee to make payments from the 2024 Account in the Acquisition Fund to pay the Costs of the 2024 Project (including the Project Management Fee, if any, but excluding costs of issuance with respect to the Series 2024 Bonds which shall be paid from the Operating Fund) or to reimburse the County for any Cost of the 2024 Project (excluding costs of issuance with respect to the Series 2024 Bonds which shall be paid from the Operating Fund) paid by it in accordance with a reimbursement resolution or resolutions adopted by the County, upon receipt of a requisition signed by an Authorized County Representative, together with a copy of the reimbursement resolution or resolutions adopted by the County, stating with respect to each payment to be made: (1) the requisition number, (2) that such payment is to be made from the 2024 Account in the Acquisition Fund, (3) the name and address of the Person to whom payment is to be made by the Trustee, or (a) if payment is to be made to the Authority for the Project Management Fee, the name of the bank and account number to which such amount shall be deposited or (b) if payment is to be made to the County for a reimbursable advance, the name and address of the Person to whom such advance was made together with proof of payment by the County, (4) the amount to be paid, which amount represents the payment due to the Person referenced in clause (3) above, or 100% of the payment previously made by the County, (5) the particular item of Cost to be paid to which the requisition relates, (6) that each obligation, item of Cost or expense mentioned therein has been properly incurred, is an item of Cost of the 2024 Project (or, in the case of the Project Management Fee, the expense is an item of Cost of the 2024 Project), is unpaid or unreimbursed, and is a proper charge against the 2024 Account in the Acquisition Fund and has not been the basis of any previously paid withdrawal or requisition, (7) that the State public contracts bidding laws, prevailing wage laws and affirmative action requirements applicable to the contract or contracts for the 2024 Project pursuant to which payment is being requested have been complied with, (8) if such payment is a reimbursement to the County for Costs or expenses incurred by reason of work performed or supervised by officers or employees of the Authority or the County, that the amount to be paid does not exceed the actual cost thereof to the County, (9) that no uncured Event of Default has occurred under this Loan Agreement or the Indenture (as defined in Section 901 thereof) and everything then required to be performed by the County has been performed, (10) the County has not received notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under such requisition to any of the Persons named therein or, if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of the requisition, and (11) in the event there are not sufficient funds available to pay such requisition from the maturity of any Investment Securities, instructions specifying the Investment Security or Securities which should be liquidated for the payment thereof. The County agrees with the Authority as a condition precedent to the disbursement of any portion of the 2024 Account in the Acquisition Fund to comply with the terms of this Loan Agreement, the Indenture and, in the case of any requests for reimbursement, the Certificate as to Nonarbitrage and Other Tax Matters and to furnish the Trustee with a requisition form substantially in the form set forth as Exhibit B annexed hereto and incorporated by this reference herein and, if applicable, a copy of the reimbursement resolution or resolutions.

SECTION 4.04. Cooperation in Furnishing Documents. The Authority agrees to cooperate with the County in furnishing to the Trustee any documents that are required to effect payments out of the 2024 Account in the Acquisition Fund in accordance with Section 4.03 hereof and Section 503 of the Indenture. Such obligation is subject to any provisions of the Indenture requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the 2024 Account in the Acquisition Fund available for payment under the terms of the Indenture.

SECTION 4.05. Completion Date. Upon completion of the 2024 Project, the County shall deliver to the Trustee and the Authority the County's Completion Certificate, the form of which is annexed hereto as Exhibit C and incorporated by this reference herein, which Completion Certificate shall evidence completion of the 2024 Project, and in compliance with the provisions of Section 503(4) of the Indenture shall state: (i) that the 2024 Project is complete or has been substantially completed; (ii) the date of completion of the 2024 Project; (iii) the Cost of all labor, services, materials and supplies used in the 2024 Project have been paid or will be paid from amounts retained by the Trustee, at the County's direction, for any Cost of the 2024 Project and the amount, if any, required, in the opinion of the signer or signers, for the payment of any remaining part of the Cost of the 2024 Project (or any portion thereof), not then due and payable or, if due and payable, not yet paid; (iv) the 2024 Project is an authorized "project" under the Act; and (v) all permits, including a Certificate of Occupancy, if required, necessary for the utilization of the 2024 Project have been obtained and are in effect. Notwithstanding the foregoing, the County's Completion Certificate may state that it is given without prejudice to any rights against third parties which exist at the date of the Completion Certificate or which may subsequently come into being. Any amount remaining in the 2024 Account in the Acquisition Fund thereafter (except for amounts therein sufficient to cover Costs of the 2024 Project, not then due and payable or not then paid) shall be applied by the Trustee in the manner set forth in Section 503(4) of the Indenture. If for any reason the amount in the 2024 Account in the Acquisition Fund proves insufficient to pay all Costs of the 2024 Project, the County shall make the election to either undertake or not to undertake the remaining portion of the 2024 Project in accordance with the provisions of Section 4.09 hereof.

SECTION 4.06. Bonds Issued as Tax-Exempt Obligations Not to Become Arbitrage Bonds. As provided in Article VI of the Indenture, the Trustee will invest moneys held by the Trustee as directed by the Authority, in writing, upon written instructions from the County. The County hereby covenants to the Authority and to the Holders of any Bonds issued as Tax-Exempt Obligations that, notwithstanding any other provision of this Loan Agreement or any other instrument, it will neither make, instruct the Authority to make nor require the Trustee to make any investment or other use of the proceeds of a Series of Bonds issued as Tax-Exempt Obligations deposited into the applicable Account in the Acquisition Fund or other proceeds of any Series of Bonds issued as Tax-Exempt Obligations which would cause such Series of Bonds issued as Tax-Exempt Obligations to be arbitrage bonds under Section 148 of the Code, and that it will comply with the requirements of such Section throughout the term of such Series of Bonds issued as Tax-Exempt Obligations.

SECTION 4.07. Restriction on Use of Acquisition Fund. The County shall not use or direct the use of proceeds of a Series of Bonds issued as Tax-Exempt Obligations deposited into the applicable Account in the Acquisition Fund in any way, or take or omit to take

any other action, so as to cause the interest on such Tax-Exempt Obligations to be included in gross income of the Owners thereof for federal income taxation purposes.

SECTION 4.08. Due Diligence Requirement. Except to the extent otherwise approved by a Favorable Opinion of Bond Counsel, such opinion being paid for by the County and addressed to the Trustee, the Authority and the County and being satisfactory to the Authority, the County shall reasonably expect to have completed the 2024 Project with due diligence and caused all of the proceeds of the Series 2024 Bonds to be expended for Costs of the 2024 Project or to be transferred from the 2024 Account in the Acquisition Fund and applied as described in Section 4.09 hereof and Section 503(4) of the Indenture within three (3) years of the Issue Date of the Series 2024 Bonds.

SECTION 4.09. Completion of 2024 Project; Excess Series 2024 Bond Proceeds. When the County certifies to the Trustee and the Authority, in the manner provided in Section 4.05 hereof and in Section 503(4) of the Indenture, that the acquisition, construction, equipping and furnishing of the 2024 Project is complete, excess Series 2024 Bond proceeds remaining in the 2024 Account in the Acquisition Fund shall be applied by the Trustee, at the written direction of an Authorized County Representative, in accordance with the provisions of Section 503(4) of the Indenture. If for any reason the amount in the 2024 Account in the Acquisition Fund proves insufficient to pay all Costs of the 2024 Project and in the event the County elects: (i) to undertake such remaining portions of the 2024 Project, the County shall pay the remainder of such Costs in accordance with the provisions of Section 4.11 hereof; or (ii) not to undertake such remaining portions of the 2024 Project, the County shall prepare and file with the Trustee the County's Completion Certificate in accordance with the provisions of Section 4.05 hereof.

SECTION 4.10. Default in Performance. If there is an event of default by any contractor or any party under any contract made in connection with the 2024 Project, the County will promptly proceed, either separately or in conjunction with others, to exhaust the remedies against the party so in default and against each surety for the performance of such party. The County agrees to advise the Authority, in writing, of the steps it intends to take in connection with any such default. The County may, in good faith, with notice to the Authority and at the cost and expense of the County, prosecute or defend any action or proceeding or take other action involving any such party which the County deems reasonably necessary and which may be required for the successful completion of the 2024 Project, and in such event, the Authority hereby agrees to cooperate fully with the County. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be deposited into the 2024 Account in the Acquisition Fund and shall be used to complete the 2024 Project or shall be deposited into the 2024 Account in the Proceeds Fund and shall be applied by the Trustee as a credit toward the County's Loan Payments with respect to the Series 2024 Bonds in accordance with the provisions of Section 507 of the Indenture, as shall be determined by the Authority in accordance with written instructions from the County.

SECTION 4.11. Sufficiency of Series 2024 Bond Proceeds; Completion of the 2024 Project. (A) The County agrees that the net proceeds of sale of the Series 2024 Bonds deposited in the 2024 Account in the Acquisition Fund established under the Indenture will be sufficient to pay the estimated Costs of the 2024 Project. In the event the Cost to complete the 2024 Project shall exceed the amount available to the County in the 2024 Account in the

Acquisition Fund from the Series 2024 Bond proceeds and in the event the County elects to undertake such remaining portions of the 2024 Project, the County is obligated to pay, as Additional Loan Payments under Section 5.02(B)(ii) hereof, such sums as may be required to pay the Costs of the 2024 Project in excess of the amount available to the County from the proceeds of the sale of the Series 2024 Bonds out of funds legally available therefor. Payment of such Additional Loan Payments shall be made by the County at the time or times and in the amount or amounts required for the payment of such excess Costs as the same become due and payable. Such Additional Loan Payments shall be paid by the County to the Trustee for deposit in the 2024 Account in the Acquisition Fund and the Trustee shall pay the Costs thereof in accordance with the procedures outlined in Section 4.03 hereof and subsection (3) of Section 503 of the Indenture.

(B) In the event the County pays to the Trustee sums needed to fund the balance of the Costs of the 2024 Project in accordance with the provisions of Section 4.11(A) hereof, the County shall complete Exhibit E attached hereto to reflect: (i) the amount of moneys to be withdrawn from the 2024 Account in the Acquisition Fund to pay the Costs of the 2024 Project; (ii) the amount of money forwarded to the Trustee by the County for deposit in the 2024 Account in the Acquisition Fund to make up the deficiency in such Costs of the 2024 Project; (iii) the total Cost of the Item being requisitioned; and (iv) such other information required to be completed as contained in Exhibit E, which certificate shall be executed by the County and delivered and filed with the Trustee (with a copy to the Authority if requested).

SECTION 4.12. Substitution by the County With Respect to 2024 Project.

The County is hereby granted the following options of substitution or addition of Equipment or Improvements with respect to the 2024 Project as originally set forth in this Loan Agreement:

(A) Prior to the County's delivery of a Completion Certificate for any Item of Equipment or Improvement, the County may, for any reason, elect to substitute one or more other Items of Equipment or Improvements for the Items that were previously contemplated; provided, however, that no such substitution shall be made unless the Trustee shall have received: (i) a Certificate of an Authorized County Representative expressing the County's intent to substitute Equipment or Improvements pursuant to this Loan Agreement and to the effect that the aggregate value of all Items of Equipment and Improvements financed with proceeds of the Series 2024 Bonds for which a Completion Certificate has been delivered, plus the value of the new Items of Equipment and Improvements to be purchased with proceeds of the Series 2024 Bonds is equal to at least 100% of the amount of Series 2024 Bond proceeds initially deposited in the 2024 Account in the Acquisition Fund established pursuant to the Indenture for the Series 2024 Bonds; (ii) a new Exhibit G to this Loan Agreement setting out the new Items of Equipment to be acquired and/or Improvements to be constructed; (iii) an opinion of counsel that is satisfactory to the Authority to the effect that each of such substitutions and this Loan Agreement, as supplemented thereby, are in compliance with all applicable laws and that the financing of such new Items falls within the corporate powers of the Authority; and (iv) an opinion of Bond Counsel to the effect that such substitution will not adversely affect the exclusion of interest on any Series of Tax-Exempt Obligations from the gross income of the Owners thereof for federal income taxation purposes.

(B) The County may not elect to substitute or exchange Equipment or Improvements for Items or Units constituting the 2024 Project designated in Exhibit G to this Loan Agreement for which the County has furnished to the Trustee a Completion Certificate.

(C) To the extent excess proceeds of the Series 2024 Bonds remain in the 2024 Account in the Acquisition Fund as set forth in the Indenture after all of the Items of Equipment and Improvements set forth in Exhibit G hereto to be financed with a portion of the proceeds of the Series 2024 Bonds have been acquired or completed, the County may apply such excess proceeds of the Series 2024 Bonds to the purchase of additional Items but such application may only occur if the Trustee shall have received: (i) a Certificate of an Authorized County Representative expressing the County's intent to add Items pursuant to this Loan Agreement and to the effect that the aggregate value of all Items for which a Completion Certificate has been delivered (exclusive of these additional contemplated Items) when added to the value of the new Items, will be equal to at least 100% of the amount of Series 2024 Bond proceeds initially deposited in the 2024 Account in the Acquisition Fund established for the Series 2024 Bonds; (ii) an opinion of Counsel that is satisfactory to the Authority to the effect that each such additional Item and this Loan Agreement as supplemented thereby is in compliance with all applicable laws and that the financing of such new Items falls within the corporate powers of the Authority; and (iii) an opinion of Bond Counsel to the effect that each such additional Item will not adversely affect the exclusion of interest on any Series of Tax-Exempt Obligations from the gross income of the Owners thereof for federal income taxation purposes.

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ARTICLE V

TERM AND PAYMENTS

SECTION 5.01. Loan Term. This Loan Agreement shall remain in full force and effect from the date hereof until the date on which the principal or Redemption Price of and interest on the Series 2024 Bonds and any and all other Costs with respect to the 2024 Project shall have been fully paid or provision for the payment thereof shall have been made as provided in the Indenture, and the County shall have satisfied and performed all other covenants, agreements and obligations made or undertaken by the County under this Loan Agreement, at which time the Authority shall release and cancel this Loan Agreement.

The payment obligations created under this Loan Agreement are direct, general, irrevocable and unconditional obligations of the County payable from any source legally available to the County, including, without limitation, the general tax revenues of the County, and the County shall, if necessary, levy *ad valorem* taxes upon all the taxable property within the jurisdiction of the County for the payment of such obligations, without limitation as to rate or amount.

SECTION 5.02. Loan Payments. (A) Loan Payments. The County agrees to repay the Loan in an amount which is equal to that portion of the principal of, redemption premium, if any, and interest on the Series 2024 Bonds. The County agrees to pay to the Trustee, in immediately available funds, at the address shown on Exhibit F annexed hereto and incorporated by this reference herein or at such other address as the County may be notified in writing pursuant to Section 9.11 of this Loan Agreement, on each Loan Payment Date for the Series 2024 Bonds, an amount in accordance with the schedule of Loan Payments for the Series 2024 Bonds set forth in Exhibit A annexed hereto and incorporated by this reference herein, which will equal the County's Loan Payment obligation which is to be applied to the Debt Service payable on the Series 2024 Bonds on the immediately succeeding Interest Payment Date or Principal Installment Date, as applicable; provided, however, that with respect to the Loan Payments required to be paid pursuant to this Section 5.02, no Loan Payments shall be payable on any Loan Payment Date to the extent the Debt Service payable on such Loan Payment Date shall be paid or provided for under the Indenture from the proceeds of the Series 2024 Bonds designated therefor by the Authority or from the income derived from the investment of amounts in the Funds or other amounts available in the Debt Service Fund established by and maintained under the Indenture.

(B) Additional Payments. In addition to the Loan Payments required by paragraph (A) of this Section 5.02, the County agrees to pay the following additional amounts to the Trustee:

(i) The County shall pay to the Trustee, as the same shall become due and payable at any time during the Loan Term, on any Loan Payment Date or thirty (30) days after written demand by the Trustee, such sums as represent Additional Loan Payments including, but not limited to, Authority Administrative Expenses, the Project Management Fee (solely with respect to the 2024 Project), and any other amounts due hereunder, as shall have been submitted by the Authority, in writing, to the Trustee, with a copy to the County. Specifically, but not by way of limitation, the County agrees to pay to, or upon the order of, the

Authority (a) on or before the Issue Date, the Initial Authority Financing Fee with respect to the Series of Bonds being issued by the Authority and (b) on each anniversary of the Issue Date with respect to each Series of Bonds until such time as such Series of Bonds are no longer Outstanding, the Annual Authority Administrative Fee;

(ii) The County shall pay to the Trustee amounts required to be paid by the County pursuant to Section 4.11 hereof; and

(iii) In the event the County fails to make any Loan Payment or Additional Loan Payment in accordance with the provisions of this Section 5.02 on its due date, the County shall pay interest (to the extent permitted by law) on such overdue Loan Payment or Additional Loan Payment at the highest rate per annum borne by the applicable Series of Bonds until paid, which interest shall be paid directly to the Authority.

SECTION 5.03. Application/Assignment of Payments. (A) The Loan Payments provided for in paragraph (A) of Section 5.02 hereof and any Additional Loan Payments provided for in clauses (i) and (ii) of paragraph (B) of Section 5.02 hereof shall be paid to and assigned to the Trustee for the account of the Authority and applied as provided in this Loan Agreement and the Indenture.

(B) The interest, if any, due thereon pursuant to clause (iii) of paragraph (B) of Section 5.02 hereof shall be paid directly to the Authority.

SECTION 5.04. [Reserved].

SECTION 5.05. County Loan Payment Obligations Unconditional. The obligations of the County to make payments required under Section 5.02 hereof and all other payments required under this Loan Agreement, as well as to perform its other obligations under this Loan Agreement, shall be absolute and unconditional without counterclaim, recoupment, defense or set-off by reason of any default by any party under any contract for the 2024 Project or by the Authority under this Loan Agreement or under any other agreement, if any, between the County and the Authority. Except as may be expressly provided herein or in the Indenture, such payments shall not be decreased, abated, postponed or delayed for any reason whatsoever including, without limiting the generality of the foregoing, failure to commence or complete the 2024 Project, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the 2024 Project, the taking of any part of the 2024 Project, frustration of purpose, failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement, it being the intention of the parties that the payments required of the County hereunder will be paid in full when due without any delay or diminution whatsoever. Notwithstanding the above, any payment made under protest by the County to the Authority shall be made without prejudice to the right of the County to proceed against the Authority, or the defaulting party, as a result of the foregoing.

Notwithstanding anything in this Loan Agreement to the contrary, the cost and expense of the performance by the County of its obligations under this Loan Agreement and the incurrance of any liabilities of the County under this Loan Agreement including, without limitation, the obligation for the payment of all Loan Payments and all other amounts required to

be paid by the County under this Loan Agreement is a direct and general obligation for which the full faith and credit of the County is hereby pledged, which obligation is not subject to County appropriation and, unless the Loan Payments and such other amounts required to be paid by the County under this Loan Agreement are paid from other sources, the County shall be obligated to levy *ad valorem* taxes on all taxable property within the jurisdiction of the County without limitation as to rate or amount.

SECTION 5.06. Prepayments. To the extent the Series 2024 Bonds are subject to optional redemption under the Indenture, the County shall have the option to prepay in full or in part the unpaid balance of the Loan with respect to the Series 2024 Bonds, together with the Redemption Price, if any, on the Series 2024 Bonds, and accrued interest to the redemption date, upon written notice to the Trustee and the Authority of its intention to prepay the applicable portion of the Loan with respect to the Series 2024 Bonds, which notice shall comply in all respects with the provisions of Sections 402 and 405 of the Indenture. The County shall pay to the Trustee the amount of the Prepayment on a date at least thirty (30) days prior to the redemption date identified in the notice referred to herein for deposit by the Trustee in the 2024 Account of the Debt Retirement Fund established for the Series 2024 Bonds to be applied to the redemption of the Series 2024 Bonds in accordance with Section 509 of the Indenture.

In addition, pursuant to Section 205 of the Indenture, the Authority shall have the right to effectuate a refunding of the Series 2024 Bonds through the issuance of Refunding Bonds, and the County shall consent, in a writing addressed to the Authority, to the issuance of such Refunding Bonds prior thereto.

SECTION 5.07. Payment on Termination of Loan Agreement. The Authority agrees that, upon termination of this Loan Agreement, after first deducting any moneys due to the Authority for the Authority Administrative Expenses incurred or accruing including, but not limited to, the Annual Authority Administrative Fee, or due to the Fiduciaries for fees and expenses of the same, and so long as no Series of Bonds remain Outstanding and payment therefor has been provided for in full, the Authority shall direct the payment to the County of all moneys or securities held by the Trustee for the account of the Authority pursuant to the Indenture and this Loan Agreement. If such expenses are not fully met from such payment by the Trustee to the Authority, the County shall immediately reimburse the Authority therefor.

SECTION 5.08. Indemnification of Authority. Both during the Loan Term and thereafter, to the extent permitted by law, the County shall indemnify and hold the Authority harmless against, and the County shall pay, any and all liability, loss, cost, damage, claim, judgment or expense, of any and all kinds or nature and however arising: (i) other than as a result of the gross negligence or willful misconduct of the Authority, its members, professionals, officers, agents, servants or employees, which the Authority may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the County relating to the 2024 Project, or arising out of the use, operation or maintenance of the 2024 Project pursuant to this Loan Agreement; or (ii) other than as a result of the gross negligence or willful misconduct of the Authority, its members, professionals, officers, agents, servants or employees, arising out of or caused by any untrue or misleading statement of a material fact relating to the County in Appendix A of the Official Statement or any omission of any material fact relating to the County in Appendix A in the Official Statement. It is mutually

agreed by the County and the Authority that neither the Authority nor its members, professionals, officers, agents, servants or employees shall be liable in any event for any action performed or omitted to be performed under this Loan Agreement and that the County shall save the Authority harmless from any claim or suit of whatsoever nature arising hereunder and under any of the other Loan Documents except for such claims or suits arising as a result of the Authority's gross negligence or willful misconduct. This provision shall survive the end of the Loan Term and the final maturity of all Bonds issued and Outstanding pursuant to the Indenture and any Supplemental Indentures.

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

The Authority agrees that it:

(i) shall give the County prompt notice, in writing, of the Authority's actual and/or constructive knowledge of the filing of each such claim and the institution of each such suit or action;

(ii) shall not, without the prior written consent of the County, adjust, settle or compromise any such claim, suit or action; and

(iii) shall permit the County to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action. Notwithstanding the foregoing, the County shall keep the Authority informed as to the progress of any suit, claim or action, and the County shall not reach a final settlement, adjustment or compromise without the Authority's prior approval, which approval shall not be unreasonably withheld.

Any cost for attorneys' fees in situations where it is necessary for the Authority to engage its own attorneys, experts' testimony costs and all costs to defend the Authority or any of its members, professionals, officers, agents, servants or employees with respect to matters arising hereunder shall be paid to the Authority by the County and shall constitute an Additional Loan Payment pursuant to Section 5.02(B)(i) hereof.

SECTION 5.09. Nature of Obligations of the Authority. The cost and expense of the performance by the Authority of any of its obligations under this Loan Agreement shall be limited to the availability of the proceeds of the Series 2024 Bonds of the Authority issued for such purposes or from other funds received by the Authority under this Loan Agreement and available for such purposes.

SECTION 5.10. Financial Reports. The County covenants to provide annually to the Authority and the Trustee within sixty (60) days after the same become available: (i) current financial statements; (ii) the adopted budget for the ensuing Fiscal Year; and (iii) such other financial information relating to the ability of the County to continue to meet its obligations under this Loan Agreement as may be reasonably requested by the Authority and/or the Trustee.

SECTION 5.11. Performance Bonds and Other Financial Guaranty. To the extent required in connection with the undertaking of the 2024 Project, any performance bond, letter of credit or other form of financial guaranty shall be executed by a responsible surety company qualified to do business in the State and shall in each case be in an amount not less than one hundred percent (100%) of the contract price. Any performance bond, letter of credit or other form of financial guaranty provided pursuant to this Section 5.11 shall be made payable to the County, the Authority and the Trustee, as their respective interests may appear. Proceeds representing damages or other moneys from any performance bond or surety provided pursuant to this Section 5.11 and due and owing to the County shall be paid to the Trustee for deposit in the 2024 Account in the Acquisition Fund (in accordance with written instructions from the Authority as directed in writing by the County) to complete the 2024 Project. Any such moneys not necessary to complete the 2024 Project or not so applied, as stated in a certificate executed by an Authorized County Representative delivered to the Trustee, shall be transferred by the Trustee to the 2024 Account in the Proceeds Fund and applied as a credit toward the County's Loan Payment obligations with respect to the Series 2024 Bonds on the next succeeding Series 2024 Bonds Loan Payment Date, in accordance with Section 507(2) and (3) of the Indenture.

SECTION 5.12. Net Loan Agreement. This Loan Agreement shall be deemed and construed to be a "net loan agreement," and the County shall pay absolutely net during the Loan Term the Loan Payments and all other payments required under this Loan Agreement, free of all deductions, without abatement, diminution and set-off, except as otherwise specifically provided for hereunder.

SECTION 5.13. County Budget Notice; Loan Payments. The County shall cause the officials of the County responsible for preparing and presenting to the Board of County Commissioners the budget request for each Fiscal Year to include in each such budget request the Loan Payments scheduled to become due in such Fiscal Year. The County shall give the Authority and the Trustee immediate written notice (but in no event later than one (1) Business Day thereafter) of: (i) the first reading of any budget ordinance that does not include sufficient amounts to pay the Loan Payments due in such Fiscal Year; or (ii) the occurrence of any other event which reasonably indicates that sufficient amounts for Loan Payments may not be included in a County budget.

SECTION 5.14. Secondary Market Disclosure. The County covenants that, as an Obligated Person pursuant to Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time, including administrative or judicial interpretations thereof (collectively, the "Rule"), it will execute and deliver a Continuing Disclosure Agreement to be entered into with the Trustee, acting as dissemination agent ("Continuing Disclosure Agreement"). The Continuing Disclosure Agreement will set forth the obligations of the County to file budgetary, financial and operating data on an annual basis and notices of the occurrence of certain enumerated events.

ARTICLE VI

SPECIAL COVENANTS

SECTION 6.01. Compliance With Laws and Regulations. The County will, at its own cost and expense, promptly comply with, or cause to be complied with, all laws, rules, regulations and other governmental requirements which may be applicable to the County, the 2024 Project, or the use or manner of use of the 2024 Project provided that the County shall not be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings and will not result in a material, adverse detriment to the 2024 Project and provided further that such contest will not result in a forfeiture or reversion of title. The County will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the 2024 Project provided that the County shall not be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings and provided further that it will not result in a material, adverse detriment to the 2024 Project or result in a forfeiture or reversion of title.

SECTION 6.02. Covenant Against Waste. The County covenants not to do or suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, any Item comprising the 2024 Project.

SECTION 6.03. Right of Inspection. The County covenants and agrees to permit the Authority and the authorized agents and representatives of the Authority to inspect the properties comprising the 2024 Project at all reasonable times during regular business hours for the purpose of inspecting same, upon not less than twenty-four (24) hours prior telephonic or written notice from the Authority, except that entry may be made at any time without notice in the event of an emergency.

SECTION 6.04. Condition of the 2024 Project. The Authority makes no representations whatsoever in connection with the condition of any Item comprising the 2024 Project, and the Authority shall not be liable for any defects therein.

SECTION 6.05. Assignment of Loan Agreement by the County. This Loan Agreement may not be assigned in whole or in part by the County without the prior written consent of the Authority, which consent shall not be unreasonably withheld, and upon receipt by the Authority of a Favorable Opinion of Bond Counsel to the effect that any such assignment shall not adversely affect the exclusion from federal income taxation of interest on the Outstanding Tax-Exempt Obligations, including the Series 2024 Bonds. No such disposition or assignment shall relieve the County from primary liability for any of its obligations hereunder or under any of the other Loan Documents, and in the event of any such disposition or assignment the County shall continue to remain liable for the payments specified in this Loan Agreement and for performance and observance of the other agreements on its part herein and therein provided.

SECTION 6.06. Sale, Lease or Sublease. (A) The County shall not sell, exchange, transfer, lease or sublease any Item comprising the 2024 Project (or any portion thereof or interest therein) without: (i) the prior written consent of the Authority, which consent shall not be unreasonably withheld; and (ii) the receipt by the Authority of a Favorable Opinion

of Bond Counsel to the effect that such sale, exchange, transfer, lease or sublease will not adversely affect the exclusion from federal income taxation of interest on the Outstanding Tax-Exempt Obligations, including the Series 2024 Bonds. No sale, exchange, transfer, lease or sublease shall reduce the County's obligations hereunder.

(B) Any moneys received by the County from the sale, exchange, transfer, lease or sublease of any Item comprising the 2024 Project (or any portion thereof or interest therein) undertaken in accordance with the provisions hereof shall be deposited in the 2024 Account in the Acquisition Fund for the Series 2024 Bonds held by the Trustee and shall be applied, at the County's written direction (with a copy to the Authority and the Trustee): (i) to the costs of other capital improvements designated by the County, in writing (with a copy to the Authority and the Trustee); or (ii) as a credit toward the County's Series 2024 Bonds Loan Payment obligations in accordance with the provisions of Sections 506 and 508 of the Indenture and used to pay Debt Service on the Series 2024 Bonds.

SECTION 6.07. Cooperation by the County. The County shall give the Authority its full cooperation and assistance in all matters relating to financing of the Costs of the 2024 Project.

The County agrees that it shall provide and certify, or cause to be provided and certified, in form satisfactory to the Authority, such information concerning the County, the 2024 Project, the operations and finances of the County and such other matters necessary to enable the Authority to complete and publish the Official Statement relating to the sale of the Series 2024 Bonds, or to enable the Authority to make any reports required by law or governmental regulations.

SECTION 6.08. Full Faith and Credit Pledge. The County unconditionally and irrevocably pledges its full faith and credit and covenants to exercise its unlimited taxing powers for the punctual payment of the principal and redemption premium, if any, of the Loan, the interest on the Loan and all other amounts due under this Loan Agreement according to the terms hereof.

SECTION 6.09. Compliance With Laws. The parties to this Loan Agreement agree to comply with all laws (including, but not limited to, Environmental Laws) of the United States and the State or other governmental bodies or entities having jurisdiction over the County, the 2024 Project or this Loan Agreement and applicable to the performance of this Loan Agreement.

SECTION 6.10. Federal Tax Covenants. The County hereby covenants not to take or omit to take any action so as to cause interest on any Series of Tax-Exempt Obligations, including the Series 2024 Bonds, to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of such Tax-Exempt Obligations. The County further covenants that it will make no investments or other use of the proceeds of any Series of Tax-Exempt Obligations, including the Series 2024 Bonds, which would cause such Tax-Exempt Obligations to be "arbitrage bonds" (as defined in Section 148 of the Code). The County further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in

Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable. The County further covenants not to cause any Series of Tax-Exempt Obligations, including the Series 2024 Bonds, to become "private activity bonds" (within the meaning of Section 141 of the Code).

SECTION 6.11. Affirmative Covenants. So long as the Series 2024 Bonds remain Outstanding, the County will, unless the Authority shall otherwise consent in writing:

- (a) Preserve and maintain its legal existence, rights, franchises and privileges.
- (b) Comply with the requirements of all applicable laws, rules, regulations, ordinances and orders of any governmental authority, the non-compliance with which would reasonably be expected to materially and adversely affect its operations or financial condition, provided that the County shall not be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings.
- (c) Maintain and preserve, or cause to be maintained and preserved, in good working order and condition (the latter to the extent applicable) each Item comprising the 2024 Project (or any portion thereof) necessary or useful in the proper conduct of its operation.
- (d) Maintain and keep in effect or cause to be maintained and kept in effect any approvals, licenses, permits and similar documents necessary in the proper conduct of its operations at or related to each Item comprising the 2024 Project.
- (e) Acquire, operate, use and maintain each Item comprising the 2024 Project in accordance with all applicable federal, State, County and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter including, but not limited to, the Americans with Disabilities Act and applicable Environmental Laws, workers' compensation, sanitary, safety, non-discrimination and zoning laws, ordinances, rules and regulations as shall be binding upon the County and which might adversely affect its activities or its financial condition.
- (f) Furnish to the Authority and the Trustee the following:
 - (i) no later than sixty (60) days after the receipt and acceptance thereof by the County, a detailed audit report for the preceding Fiscal Year, certified by certified independent public accountants selected by the County, presenting the County's revenues and expenses at the close of the preceding Fiscal Year and the results of its operations during said Fiscal Year; and
 - (ii) as soon as possible, and in any event within five (5) days, after the occurrence of each Event of Default (as such term is defined herein pursuant to Section 8.01 hereof) hereunder within the knowledge of the County, or each event within the knowledge of the County which, with the giving of notice or lapse of time, or both, would constitute an Event of Default hereunder, a statement of an Authorized County Representative setting forth details of such Event of Default or event(s) and the action which the County proposes to take with respect thereto.

SECTION 6.12. Delivery of Documents. Concurrently with the delivery of this Loan Agreement and the other Loan Documents and the issuance of the Series 2024 Bonds, the County shall cause to be delivered to the Authority each of the following items:

- (i) opinions of County Counsel and County Bond Counsel in form and substance satisfactory to the Authority;
- (ii) counterparts of this Loan Agreement duly executed by the parties hereto;
- (iii) copy of the Loan Ordinance, certified by an Authorized County Representative;
- (iv) the Loan Documents duly executed by the respective parties thereto;
- (v) copy of the Indenture, certified by an Authorized County Representative;
- (vi) a copy of the Continuing Disclosure Agreement duly executed by the parties thereto; and
- (vii) such other certificates, documents, opinions and information as the Authority may reasonably require in connection with the execution, delivery and implementation of this Loan Agreement, the Indenture and the other Loan Documents, the financing of the 2024 Project and the issuance of the Series 2024 Bonds.

SECTION 6.13. Information. The County agrees, whenever reasonably requested by the Authority or the Trustee, to provide and certify or cause to be provided and certified such information concerning the 2024 Project, the financing of the 2024 Project, the County and its financial condition, and other topics as the Authority may reasonably request and, further, the County assures that the records and accounts of the County shall at all reasonable times and upon reasonable notice, be subject to inspection and use of the Authority and the Trustee and their respective agents and attorneys.

SECTION 6.14. Rebate Covenant. (A) Within forty-five (45) days of the end of each fifth anniversary date of the issuance of any Series of Tax-Exempt Obligations, the Authority shall retain or shall cause to be retained a firm of certified public accountants or a financial consulting firm which is experienced in the calculation of the amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code or the penalty amount in lieu of rebate elected by the Authority under Section 148(f)(4)(C)(vii) of the Code ("Financial Consultant"), to compute the amount rebatable or payable as a penalty to the United States of America, if any, and will cause to be delivered to the Trustee an opinion of such Financial Consultant concerning its conclusions with respect to the amount rebatable or payable as a penalty to the United States of America, together with a written summary of the calculations thereof. The County shall pay to the Trustee at such times as required under the Code an amount equal to the amount rebatable or payable as a penalty to the United States of America for deposit by the Trustee into the Account established within the Rebate Fund for such Series of Tax-Exempt Obligations. To the extent the amounts on deposit in said Account within the Rebate Fund as of any date of computation are less than the amount rebatable or payable as a penalty to

the United States of America, the County shall immediately pay the amounts necessary to the Trustee for deposit in said Account within the Rebate Fund.

(B) The amounts in the Rebate Fund shall be applied at the times and in the amounts required under the Code solely for the purpose of paying the United States of America in accordance with Section 148(f) of the Code.

(C) With respect to each Series of Tax-Exempt Obligations, the County covenants and agrees that it will comply with the requirements of the Code relating to the investment restrictions on the proceeds of such Series of Tax-Exempt Obligations and the calculation of the amount rebatable or payable as a penalty to the United States of America and payment thereof under the Code.

(D) The Authority shall have the right at any time and from time to time, in its sole and absolute discretion, to obtain from the County and the Trustee the information necessary to determine the amount to be paid to the United States of America. Additionally, the Authority may (1) review or cause to be reviewed any determination of the amount to be paid to the United States of America made by or on behalf of the County; and (2) make or retain a Financial Consultant to make the determination of the amount to be paid to the United States of America. The County hereby agrees to be bound by any such review or determination, to pay the costs of such review including, without limitation, the reasonable fees and expenses of any professional including, but not limited to, counsel or Financial Consultants retained by the Authority, and to pay to the Trustee any additional amounts as Additional Loan Payments for deposit into the Account established within the Rebate Fund for such Series of Tax-Exempt Obligations required as the result of any such review or determination.

(E) Notwithstanding any provision of this Section 6.14 to the contrary, the County shall be liable, and shall indemnify and hold the Authority harmless against any liability, for payments due to the United States of America pursuant to Section 148(f) of the Code. Further, the County specifically agrees that the Authority shall not be held liable, or in any way responsible, for any mistake or error in the filing of the payment or the determination of the amount due to the United States of America or for any consequences resulting from any such mistake or error.

(F) The Authority and the County recognize that the provisions of this Section 6.14 are intended to comply with Section 148 of the Code and if, as a result of a change in such Section of the Code or in the interpretation thereof, a change in this Section 6.14 shall be permitted or necessary to assure continued compliance with Section 148 of the Code, then with written notice to the Trustee, the Authority and the County shall be empowered to amend this Section 6.14 and the Authority may require, by written notice to the County and the Trustee, the County to amend, and the County hereby agrees to consent to, comply with and be bound by any such amendment to this Section 6.14 to the extent necessary or desirable to assure compliance with the provisions of Section 148 of the Code; provided that either the Authority or the Trustee shall require, prior to any such amendment becoming effective, at the sole cost and expense of the County, a Favorable Opinion of Bond Counsel satisfactory to the Authority to the effect that either: (i) such amendment is required to maintain the exclusion from gross income under Section 103 of the Code of interest paid and payable on any Series of Tax-Exempt Obligations; or (ii) such amendment shall not adversely affect the exclusion from gross income under Section 103 of the Code of interest paid or payable on such Series of Tax-Exempt Obligations.

(G) Notwithstanding anything herein or in the Indenture to the contrary, the obligations of the County under the provisions of this Section 6.14 shall survive the payment, redemption or defeasance of such Series of Tax-Exempt Obligations until the expiration of all statutes of limitations applicable to the Authority with respect to such Series of Tax-Exempt Obligations and Section 148 of the Code.

SECTION 6.15. Negative Covenants. So long as the Series 2024 Bonds remain Outstanding, the County shall not, without the written consent of the Authority:

(a) Amend, modify, terminate or supplement, or permit the amendment, modification, termination or supplementation of, this Loan Agreement or the other Loan Documents.

(b) With respect to any Item comprising part of the 2024 Project, enter into any management or operating contract with a term greater than twelve (12) months with any entity or Person.

(c) Permit any action to occur which would be in direct violation of any and all applicable federal, State, County and municipal laws, ordinances, rules and regulations now in force or hereinafter enacted, including applicable Environmental Laws, the regulations of the Authority and the regulations of the State Department of Environmental Protection.

The County shall use its best efforts to give immediate written notice, in the manner provided in Section 9.11 hereof, to the Authority and the Trustee, of any inquiry, notices of investigation or any similar communication from the State Department of Environmental Protection and the United States Department of Environmental Protection regarding violation of any applicable Environmental Laws.

SECTION 6.16. Third-Party Beneficiaries. To the extent this Loan Agreement confers upon or gives or grants to the Bondholders or the Trustee any right, remedy or claim under or by reason of this Loan Agreement, the Bondholders and the Trustee are hereby explicitly recognized as being third-party beneficiaries hereunder, and may enforce any such right, remedy or claim conferred, given or granted to them hereunder.

SECTION 6.17. Assignment and Transfer by Authority. The County hereby expressly acknowledges that the Authority's right, title and interest in, to and under this Loan Agreement have been assigned to the Trustee as security for the Series 2024 Bonds as provided in the Indenture, and that if any Event of Default shall occur, the Trustee or any bond insurer, if applicable, pursuant to the Indenture, shall be entitled to act hereunder and thereunder in the place and stead of the Authority. The County hereby acknowledges the requirements of the Indenture applicable to the Series 2024 Bonds and consents to such assignment and appointment. This Loan Agreement, including, without limitation, the right to receive payments required to be made by the County hereunder and to compel or otherwise enforce observance and performance by the County of its other duties, covenants, obligations and agreements hereunder, may be further transferred, assigned and reassigned in whole or in part to one or more assignees or subassignees by the Trustee at any time subsequent to their execution without the necessity of obtaining the consent of, but after giving prior written notice to, the County.

The County hereby approves and consents to any assignment or transfer of this Loan Agreement that the Authority deems to be necessary in connection with any refunding of the Series 2024 Bonds.

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ARTICLE VII

INSURANCE; DAMAGE, DESTRUCTION AND CONDEMNATION

SECTION 7.01. Operation, Maintenance and Repair. During the Loan Term, the County shall be responsible for, and shall pay all costs of, maintaining, preserving and keeping the Items comprising the 2024 Project in good repair, working order and condition and protect the same from deterioration and for making all necessary repairs and replacements thereto in compliance with the requirements of applicable laws, ordinances and regulations and the requirements of any insurance or self-insurance program required under Section 7.05 hereof with respect to the Items comprising the 2024 Project. Neither the Authority nor the Trustee shall have any obligation in any of these matters, or for the making of improvements or additions to the 2024 Project.

SECTION 7.02. Utilities, Taxes and Governmental Charges. The County will pay or cause to be paid any and all charges for the operation and maintenance of the Items comprising the 2024 Project including, but not limited to, as applicable, water, electricity, light, heat or power, sewage, utility service, rendered or supplied upon or in connection with the Items comprising the 2024 Project during the Loan Term.

In addition, the County shall (a) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any federal, State or any municipal government upon the Authority or the County with respect to or upon the Items comprising the 2024 Project (or any part thereof) or upon any payments hereunder when the same shall become due; (b) duly observe and comply with all valid requirements of any governmental authority relative to the Items comprising the 2024 Project; (c) not create or suffer to be created any lien or charge upon the Items comprising the 2024 Project (or any part thereof) or upon the payments in respect thereof pursuant to this Loan Agreement; and (d) pay or cause to be discharged or make adequate provision to satisfy and discharge, within sixty (60) days after the same shall come into force, any lien or charge upon the Items comprising the 2024 Project (or any part thereof) or upon any payments hereunder and all lawful claims or demands for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon any payments hereunder. The County shall, to the extent permitted by law, undertake all reasonable action necessary to obtain and preserve the legal exemption of the Items comprising the 2024 Project from the levy of taxes and assessments.

SECTION 7.03. Additions, Enlargements and Improvements. The County shall, with the prior written approval of the Authority, have the right at any time and from time to time during the Loan Term, at its own cost and expense, to make such enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Items comprising the 2024 Project as the County shall deem necessary or desirable in connection with the use of Items comprising the 2024 Project; provided, however, that prior to making any such enlargements, improvements and expansions to, or repairs, reconstruction or restorations of, the Items comprising the 2024 Project, the County shall obtain all necessary permits and approvals relating thereto, respectively. All such additions, enlargements, improvements, expansions, repairs, reconstruction and restorations when completed shall be of such character as not to reduce or otherwise adversely affect the operation, maintenance or value of the Items comprising

the 2024 Project. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid or discharged so the Items comprising the 2024 Project shall at all times be free of liens for labor and materials supplied thereto.

SECTION 7.04. Additional Rights of the County. The Authority agrees that the County shall have the right, option and privilege of erecting, installing and maintaining at its own cost and expense such equipment and personalty in or upon the Items comprising the 2024 Project as may, in the County's judgment, be necessary and advisable for its purposes. It is further understood and agreed that anything erected or installed under the provisions of this Section 7.04 shall be and remain the personal property of the County and shall not become part of the respective Items comprising the 2024 Project, and may be removed, altered or otherwise changed as long as such removal does not cause substantial damage to the respective Items comprising the 2024 Project, upon or before the termination of this Loan Agreement.

SECTION 7.05. Insurance. With respect to the Items comprising the 2024 Project (or any portion thereof), the County hereby assumes the entire risk of loss thereof from any and every cause whatsoever including, but not limited to, damage to or the destruction of such Items comprising the 2024 Project (or any portion thereof) by fire or any other casualty or the taking of title to or the temporary use of such Items comprising the 2024 Project (or any portion thereof) or the interest of the County therein under the exercise of the power of eminent domain by any governmental body *de jure* or *de facto* or by any Person acting under governmental authority. At its own expense, the County shall cause casualty, public liability and all-risk property damage insurance to be carried and continuously maintained, or shall demonstrate (upon request) to the satisfaction of the Authority and the Trustee that adequate self-insurance is provided with respect to the Items comprising the 2024 Project sufficient in the aggregate to cover the full replacement cost of such Items comprising the 2024 Project or to pay the applicable value thereof, and to protect the Authority and the Trustee from liability in all events. Any casualty or property damage insurance policies shall include a standard non-contribution mortgagee clause in favor of and satisfactory to the Trustee and any liability insurance shall be for the benefit of the Trustee and the Authority as named insureds, as their interests may appear. All policies shall require that not less than thirty (30) days written notice of cancellation or material change will be given to the Trustee. The Authority and the Trustee agree to accept allocated value blanket insurance policies, provided however, that any casualty or property damage insurance policies maintained pursuant to this Section 7.05 shall be so written or endorsed as to make losses, if any, with respect to the Items comprising the 2024 Project payable to the Trustee and applied as provided in Sections 7.06 or 7.07 hereof, as applicable. The County will provide a copy of a blanket insurance policy or policies to the Authority and the Trustee as evidence of such coverage. If the County maintains a program of self-insurance for similar properties, the County may insure the Items comprising the 2024 Project in its self-insurance program and provide an adequate insurance fund to pay losses.

The County agrees to deliver annually to the Authority and the Trustee not later than December 15 of each year a certificate dated as of December 1 of such year setting forth not less than the following: (i) a schedule of all insurance policies then in effect, including the names of the insurance companies, the risks covered, the periods for which such policies are in effect and the amounts of any coverage and the deductibles, if any; (ii) if certain risks are covered by self-insurance programs of the County, a schedule identifying what risks are so

covered; and (iii) a statement that all such insurance policies or self-insurance programs comply with the provisions of this Section 7.05 and are in full force and effect.

The Trustee shall promptly notify the Authority if such certificate is not received by December 31 of each year. All insurance policies shall be held by the County and shall be open to the inspection of the Trustee and its representatives at all reasonable times, although absent contrary directions from the Authority, no such inspection shall be required of the Trustee. The net Proceeds of the insurance required in this Section 7.05 shall be applied as provided in Sections 7.06 and 7.07 hereof.

SECTION 7.06. Damage or Destruction. The County agrees to immediately notify the Authority and the Trustee in the case of damage to or destruction of any of the Items comprising the 2024 Project (or any portion thereof) resulting from fire or other casualty during the Loan Term. So long as no Event of Default has occurred and is continuing hereunder, the County may, with the prior consent of the Authority (which consent shall not be unreasonably withheld), repair, reconstruct and restore any of the Items comprising the 2024 Project (or any portion thereof). In such event, the County shall proceed forthwith to repair, reconstruct and restore any Items comprising the 2024 Project (or any portion thereof) to substantially the same condition as existed prior to the event causing such damage or destruction. As long as no Event of Default has occurred and is continuing hereunder, any such net Proceeds of insurance relating to such damage or destruction shall be deposited in the 2024 Account in the Acquisition Fund for the Series 2024 Bonds and applied by the Trustee, and used as directed by the County, for the payment of the Cost of such repair, reconstruction and restoration, in the same manner and upon the same conditions as set forth in the Indenture for the payment of the Cost of the Items comprising the 2024 Project. Any Proceeds of insurance remaining following the repair and restoration of any Items comprising the 2024 Project shall be transferred by the Trustee upon written direction of an Authorized County Representative, as approved by an Authorized Authority Representative, and applied as a credit toward Loan Payments of the County for the Series 2024 Bonds in accordance with the provisions of Section 503(2) of the Indenture. The County shall complete the repair, reconstruction and restoration of any Items comprising the 2024 Project (or any portion thereof), whether or not the Proceeds of insurance received by the County are sufficient to pay for the same.

In the event the Authority does not consent to the repair, reconstruction and restoration of any Items comprising the 2024 Project (or any portion thereof) then, in such event, the County shall be under no obligation to repair, reconstruct and restore such Items comprising the 2024 Project (or any portion thereof) and the net Proceeds of insurance relating to such damage or destruction shall be deposited in the 2024 Account in the Debt Service Fund for the Series 2024 Bonds and applied by the Trustee in accordance with the provisions of the Indenture with respect thereto.

If an Event of Default has occurred and is continuing hereunder, any such Proceeds of insurance shall be deposited with the Trustee in the 2024 Account in the Debt Service Fund for the Series 2024 Bonds and shall be applied by the Trustee in accordance with the provisions of Section 903 of the Indenture.

SECTION 7.07. Condemnation. This Loan Agreement and the interest of the County in the Items comprising the 2024 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. The County hereby irrevocably assigns to the Authority, all right, title and interest of the County in and to the net Proceeds of any award, compensation or taking during the Loan Term. Such award shall be initially paid to the Authority for disbursement as hereinafter provided.

So long as no Event of Default has occurred and is continuing hereunder, the County shall use the net Proceeds of the award made in connection with such condemnation or taking for replacement of any Items comprising the 2024 Project (or such portion thereof) and the County shall proceed forthwith to replace any Items comprising the 2024 Project (or such portion thereof) necessary to complete the 2024 Project or, in the event the 2024 Project is completed in accordance with the provisions of Section 405 and 409 hereof, the net Proceeds shall be transferred by the County to the Trustee for deposit in the 2024 Account in the Proceeds Fund for the Series 2024 Bonds and shall be applied by the Trustee as a credit toward the amount of Loan Payments owed by the County on each Loan Payment Date for the payment of Debt Service on the Series 2024 Bonds by the transfer of such net Proceeds to the 2024 Account in the Debt Service Fund for the Series 2024 Bonds as set forth in a certificate of an Authorized County Representative filed with the Trustee at the time of the deposit of the net Proceeds into the 2024 Account in the Proceeds Fund for the Series 2024 Bonds. In the event the County elects to replace any Items comprising the 2024 Project (or such portion thereof) as described above, any such net Proceeds shall be deposited in the 2024 Account in the Acquisition Fund for the Series 2024 Bonds for application by the Trustee to pay the Cost of such replacement, in the same manner and upon the same conditions set forth in the Indenture for the payment of the Cost of the Items comprising the 2024 Project (or such portion thereof). Any Proceeds of an award remaining following replacement of any Items comprising the 2024 Project (or such portion thereof) as provided herein shall be transferred by the Trustee upon written direction of an Authorized County Representative, as approved by an Authorized Authority Representative, and applied as a credit toward Loan Payments of the County for the Series 2024 Bonds in accordance with the provisions of Section 503(2) of the Indenture.

If an Event of Default has occurred and is continuing hereunder, any such condemnation award shall be deposited with the Trustee in the 2024 Account in the Debt Service Fund for the Series 2024 Bonds and shall be applied by the Trustee in accordance with Section 903 of the Indenture.

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ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.01. Events of Default. An "Event of Default" or a "default" shall mean, whenever such word or words are used in this Loan Agreement, any one or more of the following events:

(a) Failure by the County to pay or cause to be paid when due the payments required to be paid under Section 5.02(A) hereof;

(b) Failure by the County to pay when due any payments (other than payments under Section 5.02(A) hereof) to be made under this Loan Agreement, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the County by the Authority or the Trustee;

(c) [Reserved];

(d) Failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder (other than as referred to in paragraphs (a) and (b) of this Section 8.01), which failure shall continue for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the County by the Authority or the Trustee, unless the notifying party shall agree, in writing, to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the notifying party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the County within the applicable period and diligently pursued until the default is remedied; and provided further that the failure of the County to comply with the provisions of Section 5.14 hereof or the Continuing Disclosure Agreement shall not constitute an Event of Default hereunder;

(e) The entering of an order or decree appointing a receiver with the consent or acquiescence of the County or the entering of such order or decree without the acquiescence or consent of the County if it shall not be vacated, discharged or stayed within sixty (60) days after its entry; or

(f) A petition is filed by or against the County under any federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the County such petition shall be dismissed within thirty (30) days after filing and such dismissal shall be final and not subject to appeal; or the County shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the County or any of its property shall be appointed by court order or take possession of the County's property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

The foregoing provisions of paragraph (d) of this Section 8.01 are subject to the following limitations: if by reason of acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of the government of the United States or of the State or any department, agency, political subdivision or official of either of them, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, blizzards, or other storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, partial or entire failure of utilities, or any cause or event not reasonably within the control of the County, the County is unable, in whole or in part, to carry out its agreements herein contained, the County shall not be deemed to be in default during the continuance of such inability. The County agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements, provided that the settlement of strikes, lockouts and other disturbances shall be entirely within the discretion of the County, and the County shall not be required to make settlement of strikes, lockouts and other disturbances by acceding to the demands of an opposing party or parties when such course is, in the judgment of the County, unfavorable to the County.

If any Event of Default described in this Section 8.01 shall have occurred, and if no acceleration of the amounts payable hereunder shall have been declared pursuant to Section 8.02 hereof, and all amounts then due and payable hereunder are paid by the County and the County also performs all other things in respect of which it may have been in default hereunder and pays any reasonable charges of the Authority and the Trustee, including reasonable attorneys' fees (or, in the case of a failure by the County to make a payment of the Annual Authority Administrative Fee, if the Authority shall extend the time for making such payment), then, and in every such case, such Event of Default shall be deemed to have been cured and the parties hereto shall be restored to their former respective positions; but no such curing of an Event of Default shall extend to or affect or constitute a waiver of any subsequent Event of Default or impair any right or remedy consequent thereon.

Notwithstanding the above, an Event of Default under this Article VIII shall not be construed as an Event of Default under the Indenture.

SECTION 8.02. Acceleration and Annulment Thereof; Opportunity to Cure

Default.

(A) If any Event of Default occurs hereunder, the Authority and the Trustee may, upon written notice to the County, declare all amounts payable during the Loan Term in respect of the unpaid principal balance of the Loan made hereby, together with all interest accrued and all other amounts then payable to the Authority or the Trustee, to be immediately due and payable; and upon such declaration the said principal amount shall become due and payable immediately, anything in the Indenture, the Series 2024 Bonds or this Loan Agreement to the contrary notwithstanding.

(B) If, after such declaration, all amounts due, which were due and payable prior to such declaration, are paid by the County and the County also performs all other things in respect of which it may have been in default hereunder and pays the reasonable charges of the Authority and the Trustee, including reasonable attorneys' fees, then, and in every such case, the Authority, by written notice to the County and the Trustee and subject to the provisions of the

Indenture, may annul such declaration and its consequences and the County, the Authority and the Trustee shall be restored to their respective former positions and rights under the Indenture; but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon. Upon such payment and annulment, this Loan Agreement shall be fully reinstated as if it had never been accelerated.

SECTION 8.03. [Reserved].

SECTION 8.04. Remedies. Upon the occurrence of an Event of Default hereunder, the Authority may exercise any one or more of the remedies available to it under the terms of this Loan Agreement, any other agreement, or now or hereafter existing at law or in equity or by statute separately or concurrently and as often as required to enforce the County's obligations hereunder. In addition to the other remedies provided in this Loan Agreement, the Authority shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, by the County of any of the covenants, conditions or provisions of this Loan Agreement, and to a decree compelling specific performance of any such covenants, conditions or provisions.

In case of any proceeding of the Authority wherein appointment of a receiver may be permissible, the Authority, as a matter of right and immediately upon institution of each proceeding, upon written notice to the County, shall be entitled to appointment of a receiver, with such powers as the court making such appointment can confer. Upon written demand, the County shall pay to the Authority all expenses, including receiver's fees, costs and agent's compensation, incurred pursuant to the provisions of this Section 8.04 and all such expenses shall be secured by this Loan Agreement.

SECTION 8.05. Cumulative Rights; No Implied Waiver. No remedy conferred upon or reserved to the Authority or the Trustee by this Loan Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement, any other agreement, or now or hereafter existing at law or in equity or by statute. No delay, omission or waiver by the Authority or the Trustee of any breach by the County of any of its obligations, agreements or covenants hereunder, shall be deemed a waiver of any subsequent breach, and no delay or omission to exercise any right or power shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

SECTION 8.06. No Duty to Mitigate Damages. The Authority and the Trustee shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate damages if an Event of Default shall occur hereunder.

SECTION 8.07. Employment of Attorneys. If the Authority and the Trustee, in accordance with the terms of the Indenture or this Loan Agreement so long as same remains in full force and effect, or as reasonably determined by said party, shall require and employ attorneys or incur other expenses for the collection of payments due or to become due or the enforcement or performance or observance of any obligation or agreement on the part of the County herein contained, the County shall, on demand thereof, pay to the Authority or the

Trustee, as applicable, the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Authority or the Trustee, or any of them.

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ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Successors and Assigns. This Loan Agreement shall inure to the benefit of the County, the Authority and the Trustee and their respective successors and assigns and shall be binding upon the County, the Authority and the Trustee and their respective successors and assigns.

SECTION 9.02. Amendments, Changes and Modifications. Except as otherwise provided in this Loan Agreement and the Indenture, subsequent to the issuance of the Series 2024 Bonds and prior to payment or provision for the payment of all Series 2024 Bonds in full and any other obligations incurred by the Authority to pay the Cost of the 2024 Project, including interest, premiums and other charges, if any, thereon, and payment or provision for the payment of Authority Administrative Expenses (including the Annual Authority Administrative Fee and the Project Management Fee (solely with respect to the 2024 Project)), this Loan Agreement may not be amended, changed, modified, altered or terminated so as to adversely affect the interests of the Holders of the then Outstanding Bonds without the prior written consent of the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of the Outstanding Bonds, the consent of the Holders of which is required for any such amendment, change, modification, alteration or termination or to decrease the amount of any payment required to be made under this Loan Agreement or extend the time of payment thereof. This Loan Agreement may be amended, changed, modified and altered without the prior written consent of the Holders of the Outstanding Bonds to provide necessary changes only to cure any ambiguity, correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions contained herein, in connection with the issuance of one or more Series of Refunding Bonds pursuant to the Indenture and applicable Supplemental Indenture or to provide other changes which will not adversely affect the interests of such Holders. No other amendment, change, modification, alteration or termination of this Loan Agreement shall be made other than pursuant to a written instrument signed by the Authority and the County and in accordance with the Indenture and this Loan Agreement. Copies of any amendments to this Loan Agreement shall be filed with the Trustee.

For all purposes of this Section 9.02, the Trustee shall be entitled to rely upon a Favorable Opinion of Bond Counsel with respect to the extent, if any, as to which any action adversely affects the interests of any Holders of Bonds then Outstanding.

SECTION 9.03. Amounts Remaining Under Indenture. Upon expiration of the Loan Term, it is agreed by the parties hereto that any amounts remaining in any Fund or Account created under the Indenture for the benefit of the Series 2024 Bonds, after payment in full of the Series 2024 Bonds (or provisions for payment thereof having been made in accordance with the provisions of the Indenture) and the unpaid or unreimbursed fees, charges and expenses of the Trustee, the Paying Agent, and the Authority (including Authority Administrative Expenses) in accordance with the Indenture and this Loan Agreement, shall belong to and be paid to the County pursuant to Section 512 of the Indenture provided, however, that the County is required to use such amounts solely to pay for additional capital improvements. Notwithstanding the above, if the Series 2024 Bonds shall have been defeased in

accordance with Section 1301 of the Indenture, unclaimed funds remaining under the Indenture for the benefit of the Series 2024 Bonds pursuant to Section 1302 thereof shall be released to the County free and clear of the lien and pledge of the Indenture.

SECTION 9.04. Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.05. Headings. The Article and Section headings in this Loan Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Loan Agreement.

SECTION 9.06. Non-Waiver. It is understood and agreed that nothing contained in this Loan Agreement shall be construed as a waiver on the part of the parties, or any of them, of any right not explicitly waived in this Loan Agreement.

SECTION 9.07. Survival of This Loan Agreement. Notwithstanding anything else to the contrary herein, the provisions of Sections 2.01(M), 4.06, 6.10 and 9.03 hereof shall survive the expiration of the Loan Term and the final maturity of the Series 2024 Bonds.

SECTION 9.08. Assignment. This Loan Agreement may not be assigned by the County except as provided in Section 6.05 hereof.

SECTION 9.09. Severability. Any provision of this Loan Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any such jurisdiction.

SECTION 9.10. Applicable Law. This Loan Agreement shall be deemed to be a contract made in the State and governed by the laws of the State.

SECTION 9.11. Notices. All notices, consents, approvals and statements (including statements of amounts due hereunder) required to be given or authorized to be given by either party pursuant to this Loan Agreement shall be in writing, and shall be sent by facsimile transmission (with written confirmation of receipt and hard copy to follow in a manner described below) or shall be sent by personal delivery, registered or certified mail or recognized overnight delivery to the main office of the other party: (i) in case of the Authority, addressed to it at its office at 109 Budd Boulevard, Woodbury, New Jersey 08096 Attention: Executive Director (gstrachan@gcianj.com), with copies to counsel to the Authority, presently, John A. Alice, Esquire, 28 Cooper Street, Woodbury, New Jersey 08096 Attention: David Patterson, Esq. (jaalice@live.com), and Bond Counsel to the Authority, presently, Parker McCay P.A., 2 Cooper Street, P.O. Box 2096, Camden, New Jersey 08101 Attention: Jeffrey D. Winitsky, Esq. (jwinitsky@parkermccay.com); and (ii) in the case of the County and the Trustee, respectively, addressed to each at the address shown below:

If to the County:

County of Gloucester
2 South Broad Street
Woodbury, New Jersey 08096
Attention: County Administrator and County Treasurer/Chief Financial Officer
Email: (cbruner@co.glouoester.nj.us) and (tgiordano@co.gloucester.nj.us)

If to the Trustee:

TD Bank, National Association
12000 Horizon Way, 3rd Floor
Mount Laurel, New Jersey 08054
Attention: Corporate Trust Services
Email: (catherine.alessi@td.com)

or to such other representatives or addresses as the Authority, the County or the Trustee may designate, in writing.

Any such notice shall be effective on the third Business Day following the mailing thereof, or upon the date of receipt, whichever is earlier.

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IN WITNESS WHEREOF, the Authority has caused this instrument to be signed by its Chairman as its duly authorized officer and its official seal to be hereunto affixed and the County has caused this instrument to be executed in its name by its County Administrator and its official seal to be hereunto affixed, all as of the day and year first above written.

**THE GLOUCESTER COUNTY
IMPROVEMENT AUTHORITY**

PAUL W. LENKOWSKI, Secretary

By: _____
CHARLES FENTRESS, Chairman

(SEAL)

**COUNTY OF GLOUCESTER,
NEW JERSEY**

**LAURIE J. BURNS, Clerk of the
Board of County Commissioners**

By: _____
CHAD BRUNER, Administrator

(SEAL)

EXHIBIT A

LOAN PAYMENT SCHEDULE – SERIES 2024 BONDS

EXHIBIT B

FORM OF REQUISITION FOR PAYMENT

THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY
COUNTY GENERAL OBLIGATION LOAN REVENUE BONDS
(HEALTH SCIENCES EDUCATIONAL FACILITIES PROJECTS), SERIES 2024

REQUISITION REF. NO. 20__ - _____

I, the undersigned _____
[INSERT TITLE] of the County of Gloucester, New Jersey ("County") DO HEREBY CERTIFY that I am an Authorized County Representative duly designated by the County to execute and deliver this certificate on behalf of the County. I DO HEREBY FURTHER CERTIFY pursuant to and in accordance with the terms of a Loan and Security Agreement by and between The Gloucester County Improvement Authority ("Authority") and the County, dated as of September 1, 2024 ("Loan Agreement"), as follows:

1. This requisition is Requisition No. 20__ - _____ and is to be paid in connection with the portion of the 2024 Project described below:

2024 Project Item Description:

2. Payment is to be made from the 2024 Account in the Acquisition Fund.

3. The name and address of the Person to whom payment is due is:

[If such payment is to be made to the County for a reimbursable advance, insert the name and address of the Person to whom such advance was made together with proof of payment by the County.]

4. The amount to be paid to such Person named in Paragraph 3 above is \$ _____.

[Attach description and invoice or billing reference.]

5. Each obligation, item of Cost or expense mentioned herein has been properly incurred, is a proper charge against the 2024 Account in the Acquisition Fund, is an item of Cost of the 2024 Project, is unpaid or unreimbursed, and has not been the basis of any previously paid withdrawal or requisition.

6. The applicable State public contracts bidding laws, prevailing wage laws and affirmative action requirements applicable to the contract or contracts for the 2024 Project pursuant to which payment is being requested have been complied with. [STRIKE OUT IF REQUISITION IS FOR PAYMENT OF COSTS OF ISSUANCE.]

7. If such payment is a reimbursement to the County for Costs or expenses incurred by reason of work performed or supervised by officers or employees of the County, such amount mentioned herein to be paid does not exceed the actual cost thereof to the County. [STRIKE OUT IF REQUISITION IS FOR PAYMENT OF COSTS OF ISSUANCE.]

8. No uncured Event of Default has occurred under the Loan Agreement or the Indenture and everything required to be performed by the County has been performed.

9. The County has received no written notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under this requisition to any of the Persons named herein, or if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of this requisition.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Loan Agreement.

**COUNTY OF GLOUCESTER,
NEW JERSEY**

By: _____
Name: _____
Title: _____

DATED: _____

EXHIBIT C

FORM OF COMPLETION CERTIFICATE

THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY
COUNTY GENERAL OBLIGATION LOAN REVENUE BONDS
(HEALTH SCIENCES EDUCATIONAL FACILITIES PROJECTS), SERIES 2024

The Gloucester County Improvement Authority
109 Budd Boulevard
Woodbury, New Jersey 08096

TD Bank, National Association, as Trustee
1200 Horizon Way, 3rd Floor
Mount Laurel, New Jersey 08054

Pursuant to Section 4.05 of the Loan and Security Agreement by and between the Authority and the County dated as of September 1, 2024 ("Loan Agreement"), the undersigned, an Authorized County Representative (all undefined terms used herein shall have the same meaning ascribed to them in the Loan Agreement), as of the date hereof, certifies that:

- (i) the portion of the 2024 Project described below was completed as of _____, 20__;

2024 Project Item Description:

- (ii) as of such date referenced in clause (i) above, except for amounts retained by the Trustee, at the County's direction, for any Cost of the 2024 Project not now due and payable or, if due and payable, not presently paid, the Cost of all labor, services, materials and supplies used in the 2024 Project have been paid, or will be paid from amounts retained by the Trustee, at the County's direction, for any Cost of the 2024 Project not then due or payable, or if due and payable, not then paid;
- (iii) the County has paid the amount of \$_____ toward the Costs of the 2024 Project;
- (iv) the 2024 Project is being operated and maintained as an authorized "public facility" under the Act; and
- (v) all permits, including a Certificate of Occupancy, if required or necessary for the utilization of the 2024 Project, have been obtained and are in effect.

Any amount hereafter remaining in the 2024 Account in the Acquisition Fund (except amounts therein sufficient to cover Costs of the 2024 Project not now due and payable or not presently paid and except for interest or other income earned from the investment of the moneys held in the 2024 Account in the Acquisition Fund, if any) shall be transferred by the Trustee and shall be applied by the Trustee in accordance with Sections 4.05 and 4.09 of the Loan Agreement and Section 503(4) of the Indenture and shall not be invested at a yield materially higher than the yield on the Series 2024 Bonds as provided in the Indenture.

This certificate is given without prejudice to any rights against third parties which exist on the date hereof or which may subsequently come into being.

COUNTY OF GLOUCESTER, NEW JERSEY

By: _____
Authorized County Representative

Dated: _____, 20__

EXHIBIT D

**CERTIFICATE AS TO AUTHORIZED
COUNTY REPRESENTATIVE**

I, FRANK J. DIMARCO, the duly appointed and acting Director of the Board of County Commissioners of the County of Gloucester, New Jersey ("County") DO HEREBY CERTIFY that I am duly authorized under the Loan Agreement (as hereinafter defined) to execute and deliver this certificate on behalf of the County. I DO HEREBY FURTHER CERTIFY as follows:

1. Chad Bruner is the Administrator of the County.
2. Tracey Giordano is the Treasurer/Chief Financial Officer of the County.

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

<u>Name</u>	<u>Signature</u>
Chad Bruner	_____
Tracey Giordano	_____

Capitalized terms used herein and not otherwise defined shall have the same meanings ascribed thereto in a Loan and Security Agreement dated as of September 1, 2024, by and between The Gloucester County Improvement Authority and the County ("Loan Agreement").

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of September, 2024.

COUNTY OF GLOUCESTER, NEW JERSEY

**By: _____
FRANK DIMARCO, Director of the
Board of County Commissioners**

EXHIBIT E

**FORM OF REQUISITION TO BE USED
WHEN 2024 PROJECT COSTS EXCEED
AMOUNTS IN 2024 ACCOUNT IN ACQUISITION FUND**

THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY
COUNTY GENERAL OBLIGATION LOAN REVENUE BONDS
(HEALTH SCIENCES EDUCATIONAL FACILITIES PROJECTS), SERIES 2024

REQUISITION REF. NO. 20__ - ____

I, the undersigned _____ [INSERT TITLE] of the County of Gloucester, New Jersey ("County") DO HEREBY CERTIFY that I am an Authorized County Representative duly designated by the County to execute and deliver this certificate on behalf of the County. I DO HEREBY FURTHER CERTIFY pursuant to and in accordance with the terms of the Loan and Security Agreement between The Gloucester County Improvement Authority ("Authority") and the County dated as of September 1, 2024 ("Loan Agreement"), as follows:

1. This requisition is Requisition No. 20__ - ____.
2. The name and address of the Person to whom payment is due is:

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

[Add description and include invoice or billing reference]

4. The item(s) of Cost of the 2024 Project to which this requisition relates is:

5. \$_____ is the amount necessary to pay the Cost related to the 2024 Project.

6. \$ _____ is the amount of money the County has forwarded to the Trustee on behalf of the Authority for deposit in the 2024 Account in the Acquisition Fund to fund the balance of the Cost related to the 2024 Project. [ATTACH CHECK FOR TRUSTEE, COPY OF THE CHECK FOR THE AUTHORITY]

7. Each item of Cost or expense mentioned in Paragraph 5 hereof has been properly incurred, is an item of Cost and is a proper charge against the 2024 Account in the Acquisition Fund and has not been the basis of any previous withdrawal.

8. The State public contracts bidding laws, prevailing wage laws and affirmative action requirements applicable to the contract or contracts for the 2024 Project pursuant to which payment is being requested have been complied with.

9. No uncured Event of Default has occurred under the Loan Agreement or the Indenture.

10. The County has received no written notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under this requisition to any of the Persons named herein, or if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of this requisition.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Loan Agreement.

DATED: _____

COUNTY OF GLOUCESTER, NEW JERSEY

By: _____

Name: _____

Title: _____

EXHIBIT F

TRUSTEE INFORMATION

The name/address/phone number of the Trustee is:

TD Bank, National Association
12000 Horizon Way, 3rd Floor
Mount Laurel, New Jersey 08054
Attention: Corporate Trust Services
Catherine M. Alessi, Vice President

Phone number: (856) 685-5105

Fax number: (856) 533-7136

EXHIBIT G

2024 Project

4885-9291-7203, v. 2

APPENDIX D
Proposed Form of Opinion of Bond Counsel



September __, 2024

The Gloucester County Improvement Authority
109 Budd Boulevard
Woodbury, New Jersey

**RE: \$ _____ THE GLOUCESTER COUNTY IMPROVEMENT
AUTHORITY, COUNTY GENERAL OBLIGATION LOAN REVENUE
BONDS (HEALTH SCIENCES EDUCATIONAL FACILITIES PROJECTS),
SERIES 2024**

Members of the Authority:

We have served as Bond Counsel to The Gloucester County Improvement Authority ("Authority") in connection with the authorization, issuance, sale and delivery of the above-captioned obligations ("Series 2024 Bonds").

The Series 2024 Bonds are issued pursuant to: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey ("State") (*N.J.S.A. 40:37A-44 et seq.*), and the acts amendatory thereof and supplemental thereto ("Act"); (ii) a bond resolution of the Authority, duly adopted on July 18, 2024 ("Bond Resolution"); and (iii) a Trust Indenture, dated as of September 1, 2024 ("Indenture"), between the Authority and TD Bank, National Association, Mount Laurel, New Jersey, as trustee ("Trustee"). Capitalized terms, not otherwise defined herein, shall have the meanings ascribed thereto in the Indenture, unless the context clearly requires otherwise.

The proceeds of the Series 2024 Bonds are being loaned by the Authority to the County of Gloucester, New Jersey ("County") pursuant to a Loan and Security Agreement, dated as of September 1, 2024 ("Loan Agreement"), between the Authority and the County, for the purposes of paying or financing: (i) the costs of the construction and equipping certain health science educational facilities projects by the County including (a) the development and construction of a state-of-the-art nursing school facility to include classrooms, laboratories, offices and administrative space to be built on approximately two (2) acres of land adjacent to the South Jersey Technology Park on the north side of Rowan University's west campus in Mullica Hill, New Jersey, (b) the development and construction of an expansion to the County's Rowan College of South Jersey's Sewell, New Jersey, campus facilities to include new facilities for the Rowan-Virtua School of Osteopathic Medicine's Physician Assistant program, and (c) the completion of such other improvements and work and the acquisition of such equipment and materials as may be necessary or appropriate for the completion of the capital improvements described in clauses (a) and (b), above (collectively referred to as the



"Projects"); and (ii) costs and expenses incurred by the Authority and the County in connection with the issuance of the Series 2024 Bonds (together with the Projects, the "2024 Project").

Pursuant to the Loan Agreement, the Authority will lend to the County the proceeds of the Series 2024 Bonds for the purpose of paying the Costs of the 2024 Project and the County will pay to the Authority on each Loan Payment Date (as such term is defined in the Loan Agreement) an amount equal to the principal of, redemption premium, if any, and interest on the Series 2024 Bonds and, as applicable, Additional Loan Payments (as such term is defined in the Loan Agreement) as and when the same become due and payable upon demand pursuant to the terms of the Loan Agreement (collectively, the "Loan Payments"). Pursuant to the Loan Agreement, the Loan Payments payable to the Authority have been assigned to the Trustee for the benefit of the holders of the Series 2024 Bonds.

The Series 2024 Bonds are direct, limited and special obligations of the Authority payable solely from the Revenues and secured by the Pledged Property. The Revenues include, among other things, the Loan Payments to be made by the County under the Loan Agreement. The Board of County Commissioners of the County (the "Board") has, by ordinance duly and finally adopted on July 17, 2024 ("County Resolution") in accordance with the procedures outlined in the Local Bond Law, constituting Chapter 169 of the Pamphlet Laws of 1960 of the State, as amended and supplemented (*N.J.S.A. 40A:2-1 et seq.*), authorized the execution and performance on behalf of the County of the Loan Agreement and the pledge of the County's full faith and credit to the payment of the County's Loan Payment obligations under the Loan Agreement ("County Loan Ordinance").

The Series 2024 Bonds are dated September __, 2024, mature on March 1 in each of the years in the respective principal amounts set opposite each such year in the table below and bear interest at the respective interest rates per annum below, payable semi-annually on September 1 and March 1, commencing on March 1, 2025, in each year until maturity or earlier redemption.

<u>Year</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Year</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
	\$	%		\$	%
2025			2033		
2026			2034		
2027			2035		
2028			2036		
2029			2037		
2030			2038		
2031			2039		
2032					

The Series 2024 Bonds are issued in fully registered book-entry-only form of one certificate for each maturity of the Series 2024 Bonds. The Series 2024 Bonds are subject to optional redemption [and mandatory sinking fund redemption] prior to maturity in the manner and upon the terms and conditions set forth in the Indenture.

As Bond Counsel to the Authority, we have examined the Bond Resolution, the Indenture, the resolution of the County duly adopted on September 4, 2024 in accordance with the requirements



of the Act, and such statutes of the State and such resolutions of the Authority and proceedings relating thereto as we have deemed necessary to enable us to render the opinions set forth below. We have also examined and relied upon the proceedings authorizing the issuance of the Series 2024 Bonds and the execution and delivery of the Loan Agreement and the Indenture and certain certifications and agreements (including a Certificate as to Nonarbitrage and Other Tax Matters ("Joint Tax Certificate") executed by the Authority and the County with respect to the Series 2024 Bonds), intended to satisfy certain provisions of the Internal Revenue Code of 1986, as amended ("Code"), and applicable Treasury Regulations, rulings and court decisions, receipts and other documents which we have considered relevant. We have also examined a specimen of the Series 2024 Bonds and have relied on certifications as to the execution and authentication of the Series 2024 Bonds. We have assumed that all documents, records and other instruments examined by us are genuine, accurate and complete and we have not undertaken to verify the factual matters set forth in any certificates or other documents by independent investigation.

Based upon and subject to the foregoing, we are of the following opinion:

1. The Authority is a public body corporate and politic and an instrumentality of the State of New Jersey, duly and legally organized and validly existing under the Act, and has full right and lawful authority to issue the Series 2024 Bonds for the purpose of financing the 2024 Project and to lend the proceeds of the Series 2024 Bonds to the County.

2. The Series 2024 Bonds have been duly authorized, executed and delivered by the Authority, are legal, valid and binding special, limited obligations of the Authority, enforceable in accordance with their terms and payable as to principal, interest and all other obligations thereunder solely from, and enforceable only against, amounts payable by the County under the Loan Agreement and the other revenues, funds and rights assigned or pledged to the Trustee pursuant to the Indenture.

3. The Authority has the power to enter into and perform its obligations under the Indenture, the Loan Agreement and the Series 2024 Bonds and, assuming the due authorization, execution and delivery of said documents by the other parties thereto, each constitutes a legal, valid and binding obligation of the Authority, enforceable in accordance with its respective terms except to the extent that enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the rights of creditors or principles of equity generally.

4. Interest on the Series 2024 Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Series 2024 Bonds received or accrued by a foreign corporation subject to the branch profits tax is included in computing the "dividend equivalent amount" of such corporation.



In addition, passive investment income, including interest on the Series 2024 Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by: (i) the Authority with the covenants contained in the Bond Resolution, the Loan Agreement and the Joint Tax Certificate; and (ii) the County with the covenants contained in the Loan Agreement, the County Loan Ordinance and the Joint Tax Certificate, that each will comply with the applicable requirements of the Code, including requirements relating to, *inter alia*, the use and investment of proceeds of the Series 2024 Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Authority or the County to comply with its respective covenants could result in the interest on the Series 2024 Bonds being subject to federal income tax retroactive to the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that may affect the tax-exempt status of the interest on the Series 2024 Bonds.

Ownership of the Series 2024 Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Series 2024 Bonds will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Series 2024 Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Series 2024 Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Series 2024 Bonds are *not* "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the Series 2024 Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and



the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

5. Interest on the Series 2024 Bonds and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

We call your attention to the fact that the Series 2024 Bonds are direct, limited and special obligations of the Authority payable solely from the Revenues which include, among other things, the Loan Payments to be made by the County under the Loan Agreement. The Series 2024 Bonds do not constitute a debt or obligation of the State or any political subdivision thereof (except the Authority, to the extent of the Pledged Property, and the County, to the extent of the Loan Payments due under the Loan Agreement), and neither the credit nor the taxing power of the State or any political subdivision thereof (except the Authority, to the extent of the Pledged Property, and the County, to the extent of the Loan Payments due under the Loan Agreement) is pledged for the payment of the principal of, redemption premium, if any, or interest on the Series 2024 Bonds. The Authority has no taxing power.

We note that the Authority has received opinions of County Counsel, as to the legal, valid and binding nature of the Loan Agreement as a direct and general obligation of the County payable, unless paid from some other source, from the levy of *ad valorem* taxes upon all taxable property within the jurisdiction of the County, without limitation as to rate or amount.

We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, any financial or other information which has been or may be supplied to purchasers of the Series 2024 Bonds.

The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State, as presently enacted and construed, and we assume no responsibility to advise any party as to any changes in law or fact subsequent to the date hereof that may affect the opinions expressed above.

This is only an opinion letter and not a warranty or guaranty of the matters discussed above.

This letter is being provided solely for the benefit of the Authority and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,

APPENDIX E
Form of Continuing Disclosure Agreement

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this ____ day of September, 2024, by and between the County of Gloucester, New Jersey ("County") and the Dissemination Agent (as hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Gloucester County Improvement Authority ("Authority") of its \$ _____ aggregate principal amount of County General Obligation Loan Revenue Bonds (Health Sciences Educational Facilities Projects), Series 2024 ("Bonds").

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the Bonds (collectively, "Bondholders") and in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time, including administrative or judicial interpretations thereof ("Exchange Act"), as it applies to the Series 2024 Bonds ("Rule").

SECTION 2. Definitions. Capitalized term used in this Disclosure Agreement, and not otherwise defined herein, shall, for purposes of this Disclosure Agreement, have the following meanings:

"Annual Report" shall mean the County's Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the County or the Dissemination Agent is authorized by law or contract to remain closed.

"Commission" shall have the meaning set forth in Section 1 of this Disclosure Agreement.

"Continuing Disclosure Information" shall mean, collectively, (i) the Annual Report; (ii) any notice required to be filed with the National Repository pursuant to Section 5 hereof; and (iii) any notice of an event required to be filed with the National Repository pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean Acacia Financial Group, Inc., Mount Laurel, New Jersey, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with the SEC Release (as hereinafter defined), pursuant to which issuers of tax-exempt and taxable bonds, including the Series 2024 Bonds, and other filers on behalf of such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

"National Repository" shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the Commission as a repository for purposes of the Rule.

"Opinion of Counsel" shall mean a written opinion of counsel expert in federal securities law acceptable to the County.

"Rule" shall have the meaning set forth in Section 1 of this Disclosure Agreement.

"SEC Release" shall mean Release No. 34-59062, of the SEC, dated December 5, 2008.

SECTION 3. Provision of Annual Report.

(a) The County shall not later than 270 days after the end of its fiscal year (currently December 31, beginning December 31, 2024) during which any of the Bonds remain Outstanding provide to the Dissemination Agent the County's Annual Report prepared for the preceding fiscal year of the County. Each Annual Report provided to the Dissemination Agent by the County shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the SEC.

(b) The Dissemination Agent, promptly (within fifteen (15) Business Days) after receiving the Annual Report from the County, shall submit the Annual Report received by it to the National Repository and thereafter shall file a written report with the County certifying that the Annual Report has been provided pursuant to this Agreement, stating the date it was provided to the National Repository.

(c) If the County fails to provide the Annual Report to the Dissemination Agent by the dates required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the County advising of such failure. Whether or not such notice is given or received, if the County thereafter fails to submit the Annual Report to the Dissemination Agent within fifteen (15) Business Days after the Annual Report was due pursuant to the provisions of subsection (a) of this Section 3, the Dissemination Agent shall promptly send a notice to the National Repository in substantially the form attached as Exhibit "A" hereto.

SECTION 4. Contents of Annual Report. Annual Report shall mean:

(a) (i) the general financial information and operating data of the County consistent with the information set forth in the Official Statement, dated September __, 2024, prepared in connection with the sale of the Bonds ("Official Statement"); and (ii) the County's annual financial statements using the accounting standards set forth below in Subsection (b) of this Section 4 and audited by an independent certified public accountant, substantially in the form set forth in Appendix "B" to the Official Statement, provided that the annual audited financial statements of

the County may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements are not available by that date, but only if the unaudited financial statements of the County are included in the Annual Report.

(b) The County's audited financial statements will be prepared in accordance with modified cash accounting as mandated by the State of New Jersey statutory principles or with generally accepted accounting principles as modified by governmental accounting standards if required by New Jersey law, as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statement.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following listed events ("Listed Events"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
1. (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 obligation¹ of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other

¹ The term "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) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The County 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 a Listed Event specified clauses (2), (7), (8), (10), (13), (14) or (15) of subsection (a) of this Section 5, the County may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(c) If the Dissemination Agent has been instructed by the County to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within five (5) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the County.

SECTION 6. Termination of Disclosure Agreement. This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the County is no longer an Obligated Person (as defined in the Rule) with respect to the Bonds.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the County and the Dissemination Agent 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) 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 County, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of Bondholders. The County shall give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent and the Dissemination Agent shall file such notice with the National Repository.

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, it shall not have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Default and Remedies. In the event of a failure of the County to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Bondholder may (and, at the written request of Bondholders of at least twenty-five percent (25%) of the outstanding Bonds and provision of indemnity and security for expenses satisfactory to it, shall) take such

actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the County to comply with this Disclosure Agreement shall be an action to compel performance. A failure of the County to comply with any provision of this Disclosure Agreement shall not be deemed to be a default under the Bonds.

SECTION 10. Notices. All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

- (i) If to the County:

County of Gloucester
Gloucester County Treasurer Office - 3rd Floor
2 South Broad, PO Box 337
Woodbury, New Jersey 08096
Attention: Treasurer

- (ii) If to the Dissemination Agent:

Acacia Financial Group, Inc.
6000 Midlantic Drive, Suite 410 North
Mount Laurel, New Jersey 08054

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 11 for the giving of notice.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Dissemination Agent and the Bondholders and nothing herein contained shall confer any right upon any other person.

SECTION 12. Submission of Information to MSRB. Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

SECTION 13. Compensation. The County shall pay the Dissemination Agent from time to time reasonable compensation for all services rendered under this Disclosure Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Disclosure Agreement.

SECTION 14. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the County, or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 17. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

COUNTY OF GLOUCESTER, NEW JERSEY

By: _____
TRACEY N. GIORDANO, Treasurer

**ACACIA FINANCIAL GROUP, INC.,
as Dissemination Agent**

By: _____
JENNIFER G. EDWARDS, Managing Director

EXHIBIT A

**NOTICE TO THE NATIONAL REPOSITORY OF
FAILURE TO FILE AN ANNUAL REPORT**

Name of Issuer: The Gloucester County Improvement Authority, County of Gloucester, New Jersey

Name of Bond Issue Affected: \$ County General Obligation Revenue Bonds (Health Sciences Educational Facilities Projects), Series 2024

Date of Issuance of the Affected Bond Issue: September , 2024

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated September __, 2024, between the County and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by _____].

Dated:

**ACACIA FINANCIAL GROUP, INC.,
Dissemination Agent**

cc: County of Gloucester, New Jersey