

PASSAIC COUNTY IMPROVEMENT AUTHORITY
LIST OF AGENDA ITEMS
REVISED

Meeting to be held on Wednesday, July 11, 2018 at 6:00 PM at 930 Riverview Drive,
Suite 250, Totowa, NJ.

1. Call to order.
2. Pledge of Allegiance.
3. Roll Call.
4. Open Public Meetings Notice.
5. Approval of the Minutes of the June 20, 2018 Board Meeting.
6. Public Comment.
7. Executive Session
8. Official Action
 - a. R 18-026 Resolution of the Passaic County Improvement Authority Authorizing Payment of Bills and Reimbursements
 - b. R 18-027 Resolution of the Passaic County Improvement Authority Concerning Review of the Findings of the Local Finance Board Made at a Meeting of Said Board on March 14, 2018 in Accordance with the Provisions of N.J.S.A. 40A:5A-7
 - c. R 18-028 The Passaic County Improvement Authority 2018 Governmental Loan Revenue Note Resolution (City Of Paterson Project)
 - d. R 18-029 A Resolution of the Passaic County Improvement Authority Approving the Form and Authorizing the Execution and Delivery of a Contract of Purchase, County Guaranty Agreement, Note Purchase Agreement and A Continuing Disclosure Agreement, All in Connection with the Issuance and Sale of the Authority's Governmental Loan Revenue Bond Anticipation Notes, Series 2018 (Passaic County Guaranteed) (City of Paterson Project), Approving the Distribution Thereof and Further Authorizing the Execution of a Final Official Note Registrar and Paying Agent; and Authorizing the Authorized Officers of the Authority to do all Other Things Deemed Necessary or Advisable in Connection with the Issuance, Sale and Delivery of Such Notes
 - e. R 18-030 Resolution of the Passaic County Improvement Authority Appointing Certain Professionals And Authorizing Certain Fees in Connection with the Issuance and Sale of the Authority's Governmental Loan Revenue Bond Anticipation Notes, Series 2018 (Passaic County Guaranteed) (City of Paterson Project), In an Aggregate Amount Not to Exceed \$15,615,000

- f. R 18-031 Resolution of the Passaic County Improvement Authority Appointing Certain Professionals And Authorizing Certain Fees in Connection with the Amendment and Restatement of Revenue Refunding Bonds in the Original Principal Amount of \$21,931,500 (Yeshiva Ktana of Passaic – A New Jersey Non-Profit Corporation), Series 2010 of the Passaic County Improvement Authority
- g. R 18-032 Bond Resolution of the Passaic County Improvement Authority Authorizing the Issuance and Sale of Up to \$12,500,000 Aggregate Principal Amount of the Authority’s County-Guaranteed Lease Revenue Refunding Bonds (Passaic County Community College Project), Series 2020, in One or More Series, on a Tax-Exempt Basis; Making Certain Determinations and Approvals with Respect to Said Bonds; and Authorizing Certain Actions

9. Further Official Action – Resolution of Commissioners.

10. Old Business/New Business

11. Adjournment.

PASSAIC COUNTY IMPROVEMENT AUTHORITY

MINUTES OF THE BOARD MEETING OF JUNE 20, 2018

The meeting was called to order at approximately 6:00 p.m. Pledge of Allegiance was said. Roll was taken. Commissioners Bradley, Petriello and Marco were present. Commissioner Cotroneo joined after roll call. Also present were Nicole S. Fox, Executive Director, Heather Litzebauer, Financial Advisor, and Peter A. Tucci, Jr., Esq. Mr. Tucci read the notice, pursuant to the Open Public Meetings Act.

Minutes

Motion was made by Commissioner Bradley and seconded by Commissioner Cotroneo to approve the minutes from the meeting on April 25, 2018. Motion carried unanimously.

Seeing no public present, Chairman Marco asked for a Motion to go into Executive Session. Commissioner Petriello moved and Commissioner Bradley seconded the motion. Motion carried.

Chairman Marco noted that official action would be taken after Executive Session.

Commissioner Cotroneo moved to close Executive Session and Commissioner Bradley seconded the motion. All were in favor.

Official Action

The Commissioners then considered the following resolutions:

R 18-023 Resolution of the Passaic County Improvement Authority Authorizing Payment of Bills and Reimbursements	Commissioners	M/S	Y	N	No Vote
	Alston				
	Bradley	S	X		
	Cotroneo	M	X		
	Petriello		X		
	Marco		X		

R 18-024 Resolution of the Passaic County Improvement Authority (I) Authorizing the Preparation and Submission of an Application to the Local Finance Board Pursuant to Local Authorities Fiscal Control Law and Other Applicable Law and (II) Authorizing Compliance with N.J.S.A. 40:37A-56 and Authorizing Certain Actions to be taken to Obtain the Resolution Contemplated by N.J.S.A 40:37A-56 and Other Applicable Law, All in Connection with One or More Series of the Authority’s Governmental Loan Revenue Bond Anticipation Notes, Series 2018 (Passaic County Guaranteed) (City of Paterson Project) In an Aggregate Principal Amount Not to Exceed \$15,615,000 and the Project Associated Therewith	Commissioners	M/S	Y	N	No Vote
	Alston				
	Bradley		X		
	Cotroneo	M	X		
	Petriello	S	X		
	Marco		X		

R 18-025 Resolution Authorizing the Amendment and Restatement of Revenue Refunding Bonds in the Original Principal Amount of \$21,931,500 (Yeshiva Ktana of Passaic – A New Jersey Non-Profit Corporation), Series 2010 of the Passaic County Improvement Authority and Authorizing and Approving the Execution and Delivery of an Amendment to Bond Agreement, Amended and Restated Bonds and Related Instruments and Determining Other Matters in Connection Therewith <i>The Commissioners added that the Yeshiva must sign off on a memo prepared by NW Financial.</i>	Commissioners	M/S	Y	N	No Vote
	Alston				
	Bradley	M	X		
	Cotroneo	S	X		
	Petriello		X		
Marco			X		

New Business / Old Business

None.

Commissioner Cotroneo made a motion to adjourn the meeting, seconded by Commissioner Petriello. Motion carried unanimously.

**RESOLUTION OF THE
PASSAIC COUNTY IMPROVEMENT AUTHORITY AUTHORIZING
PAYMENT OF BILLS AND REIMBURSEMENTS**

WHEREAS, a regular meeting of the Passaic County Improvement Authority (the "Authority") was held on July 11, 2018;

WHEREAS, the Authority has previously approved agreements for the provision of goods and services;

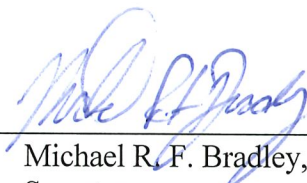
WHEREAS, the Authority has also authorized reimbursements for certain items, either through prior resolution or agreement; and

WHEREAS, the Authority desires to authorize payment for the aforementioned items.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE MEMBERS OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY AS FOLLOWS:

1. The Authority hereby authorizes the payment of the items as listed in the attached schedule.
2. The Executive Director is authorized and directed to take all appropriate action to effectuate payment of the items listed in the attached schedule.

I hereby certify the foregoing to be a true copy of a resolution adopted by the Passaic County Improvement Authority at a meeting held on July 11, 2018.



Michael R. F. Bradley,
Secretary

<u>Recorded Vote:</u>	<u>Aye</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Wayne Alston	✓			
Michael Bradley	✓			
Ronda Casson Cotroneo				✓
Joseph Petriello, Vice Chairman	✓			
Dennis Marco, Chairman	✓			

RESOLUTION OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY CONCERNING REVIEW OF THE FINDINGS OF THE LOCAL FINANCE BOARD MADE AT A MEETING OF SAID BOARD ON MARCH 14, 2018 IN ACCORDANCE WITH THE PROVISIONS OF N.J.S.A. 40A:5A-7

WHEREAS, the Local Finance Board (the “Board”) has issued findings in connection with a resolution (the “Resolution”) of the Passaic County Improvement Authority (the “Authority”) providing for the issuance of not to exceed \$17,000,000 aggregate principal amount the Authority’s lease revenue bonds; and

WHEREAS, N.J.S.A. 40A:5A-7 requires that the governing body of the Authority, within 45 days of receipt of the Board's findings and recommendations, certify by resolution to the Board that the members of the Authority have personally reviewed the findings and recommendations; and

WHEREAS, the members of the governing body of the Authority have personally reviewed the Board's findings on the proposed financing, as set forth in the resolution of the Board attached hereto, as evidenced by a group affidavit of the governing body; and

WHEREAS, failure to comply with this requirement may subject the members of the Authority to the penalty provisions of R.S. 52:27BB-52; and

NOW THEREFORE, BE IT RESOLVED that the members of the Passaic County Improvement Authority hereby state that the Authority has complied with the requirements of N.J.S.A. 40A:5A-6 and does hereby submit a certified copy of this resolution and the required affidavit to the Board to show evidence of compliance with N.J.S.A. 40A:5A-7.

CERTIFICATE

I, MICHAEL R.F. BRADLEY, Secretary of the Passaic County Improvement Authority (the "Authority"), a public body corporate and politic of the State of New Jersey, HEREBY CERTIFY that the foregoing resolution entitled "RESOLUTION OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY CONCERNING REVIEW OF THE FINDINGS OF THE LOCAL FINANCE BOARD MADE AT A MEETING OF SAID BOARD ON MARCH 14, 2018 IN ACCORDANCE WITH THE PROVISIONS OF N.J.S.A. 40A:5A-7", is a true copy of the original resolution that was duly adopted by the Authority at a meeting thereof duly called and held on July 11, 2018, at which a quorum was present and acted throughout, that such resolution is duly recorded in the minutes of the Authority for such meeting, that the resolution has not been altered, amended or repealed and is in full force and effect and that such resolution was moved and seconded and adopted as set forth below.

Moved by: *Commissioner Bradley*

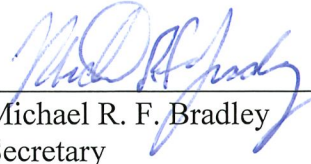
Seconded by: *Commissioner Alston*

RECORDED VOTE

	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>NOT PRESENT</u>
Dennis F. Marco	✓			
Joseph C. Petriello	✓			
Michael R. F. Bradley	✓			
Wayne Alston	✓			
Ronda Cassan Cotroneo				✓

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of July,
2018.

**THE PASSAIC COUNTY
IMPROVEMENT AUTHORITY**

By: 

Michael R. F. Bradley
Secretary



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO Box 803
TRENTON, NJ 08625-0803

PHILIP D. MURPHY
Governor

LT. GOVERNOR SHEILA Y. OLIVER
Commissioner

June 21, 2018

Daniel Mariniello
NW Financial Group, LLC
2 Hudson Place, 3rd Floor
Hoboken, New Jersey 07030

Dear Mr. Mariniello:

Enclosed please find a Local Finance Board (Board) Resolution(s) reflecting the action the Board took at the meeting held on Wednesday, March 14, 2018.

If you have any questions regarding this information, please feel free to contact me at (609) 292-4537.

Sincerely,

Patricia Parkin McNamara
Executive Secretary
Local Finance Board

Enclosure(s)

cc: Nicole Fox
Christopher Langhart, Esq.
Steven Wielkottz




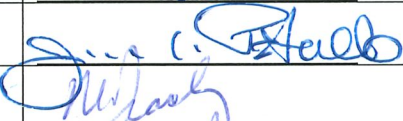
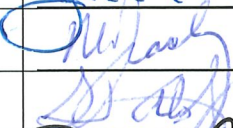
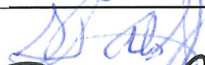

Group Affidavit Form

Certification of Governing Body

State of New Jersey
County of Passaic

We, the members of the governing body of the Passaic County Improvement Authority, being of full age and being duly sworn according to law, upon our oath depose and say:

1. We are duly appointed members of the Passaic County Improvement Authority.
2. We certify that, pursuant to N.J.S.A. 40A:5A-7, we have personally reviewed the findings and recommendations of the Local Finance Board issued at a meeting of the Board on March 14, 2018 with respect to the proposed issuance not to exceed \$17,000,000 lease revenue bonds of the Authority, as set forth in the resolution of the Board attached hereto.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Dennis F. Marco	Vice Chairperson	
Joseph C. Petriello	Secretary	
Michael R. F. Bradley	Commissioner	
Wayne Alston	Commissioner	
Ronda Cassan Cotroneo	Commissioner	

Sworn to and subscribed before me
this 11 day of July, 2018



Peter A. Tucci, Jr., Esq. Attorney at law

[Note: The Secretary of the Authority shall set forth the reason for the absence of signature of any members of the governing body.]

This affidavit must be sent to the Division of Local Government Services, CN 803, Trenton, New Jersey 08625 within 45 days of receipt of the Local Finance Board's findings and recommendations on the proposed project financing.



State of New Jersey

DEPARTMENT OF COMMUNITY AFFAIRS

101 SOUTH BROAD STREET

PO Box 803

TRENTON, NJ 08625-0803

PHILIP D. MURPHY
Governor

LT. GOVERNOR SHEILA Y. OLIVER
Commissioner

LOCAL FINANCE BOARD RESOLUTION

WHEREAS, a proposed project financing has been submitted to the Local Finance Board for review pursuant to N.J.S.A. 40A:5A-6 by the Passaic County Improvement Authority; and

WHEREAS, the Local Finance Board has held a hearing pursuant to N.J.S.A. 40A:5A-7 on March 14, 2018, to review a proposed project financing in an amount not to exceed \$17,000,000 for the issuance of County General Obligation Lease Revenue Bonds (DPW Building Project); and

WHEREAS, the Local Finance Board has given consideration to those matters, to the extent applicable, as provided for by Law, and has examined estimates, computations or calculations made in connection with such submissions and has required the production of such papers, documents, witnesses or information and taken such action which it has deemed necessary for its review of such submission;

NOW, THEREFORE, BE IT RESOLVED that the Local Finance Board does hereby make the following findings:

- a) that the project cost has been determined by reasonable and accepted methods;
- b) that the method proposed for the funding of the project cost, proposed or maximum terms and provision of the financing and of a proposed service contract are not unreasonable nor impracticable, and would not impose an undue and unnecessary financial burden on the local inhabitants within the Authority's jurisdiction or would not materially impair the ability to pay promptly the principal of and the interest on the outstanding indebtedness thereof or to provide essential public services to the inhabitants thereof;
- c) that the proposed or maximum terms and conditions of the sale are, in light of current market conditions for obligations of similar quality, reasonable;

BE IT FURTHER RESOLVED that the Local Finance Board does not deem it necessary to make any of the recommendations with regard to this project financing which the Board is authorized to make pursuant to N.J.S.A. 40A:5A-8; and



Local Finance Board
Passaic County Improvement Authority
March 14, 2018

BE IT FURTHER RESOLVED that the Passaic County Improvement Authority shall, within 30 days of the closing date of the financing that is the subject of this resolution, file with the Executive Secretary of the Local Finance Board a statement setting forth a complete accounting of the actual issuance costs incurred by the Passaic County Improvement Authority in undertaking the financing which statement shall include the following: the name of the Passaic County Improvement Authority; the closing date of the financing; the total amount of the financing; the name of the professionals or others who provided services to the Passaic County Improvement Authority in undertaking the financing; the estimated dollar amount for each type of issuance cost as set forth in the application submitted by the Passaic County Improvement Authority to the Local Finance Board with regard to the financing; and the actual dollar amount for each type of issuance cost incurred by the Passaic County Improvement Authority in undertaking the financing; and

BE IT FURTHER RESOLVED that the details of the issuance of any permanent bonds associated with this application as included in the term sheet (closing statement) shall be promptly provided to the Executive Secretary by forwarding a copy of said term sheet (closing statement); and

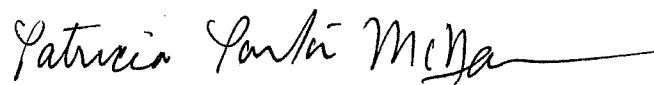
BE IT FURTHER RESOLVED that the Executive Secretary of the Local Finance Board is hereby authorized and directed to certify or endorse such documents or instruments as may be necessary, convenient or desirable in order to carry out the purpose and provisions of the Law and this Resolution; and

BE IT FURTHER RESOLVED that pursuant to N.J.S.A. 40A:5A-7, the governing body of the Authority shall provide to the Executive Secretary within 45 days of receipt of this resolution, the required Authority resolution and affidavit; and

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED BY:
THE LOCAL FINANCE BOARD

DATE: March 14, 2018


PATRICIA PARKIN MCNAMARA
EXECUTIVE SECRETARY
LOCAL FINANCE BOARD

18-028

THE PASSAIC COUNTY IMPROVEMENT AUTHORITY
2018 GOVERNMENTAL LOAN REVENUE NOTE RESOLUTION

(CITY OF PATERSON PROJECT)

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS AND STATUTORY AUTHORITY	1
Section 101. Definitions.....	1
Section 102. Authority for the Resolution.....	7
Section 103. Resolution to Constitute Contract.....	7
ARTICLE II AUTHORIZATION AND ISSUANCE OF NOTES	8
Section 201. Authorization of Notes.....	8
Section 202. General Provisions for Issuance of Notes.	8
Section 203. Purpose of Notes.....	9
Section 204. The Notes.	9
Section 205. Book Entry System.	9
ARTICLE III GENERAL TERMS AND PROVISIONS OF NOTES.....	12
Section 301. Obligation of Notes; Medium of Payment; Form and Date; Letters and Numbers.	12
Section 302. Legends.	12
Section 303. Execution of Notes.....	12
Section 304. Authentication of Notes.	13
Section 305. Transfer, Exchange and Registry of Notes and Agency.....	13
Section 306. Reissuance of Mutilated, Destroyed, Stolen or Lost Notes.....	13
Section 307. Temporary Notes.	14
ARTICLE IV REDEMPTION OF NOTES	15
Section 401. Privilege of Redemption and Redemption Price.....	15
Section 402. Redemption.....	15
Section 403. Redemption Otherwise than at Authority's Election or Direction.....	15
Section 404. Selection of Notes to be Redeemed.	15
Section 405. Notice of Redemption.	16
Section 406. Payment of Redeemed Notes.....	16
Section 407. Redemption of Portions of Notes.....	16
ARTICLE V ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF.....	18
Section 501. The Pledge Effected by the Resolution.....	18
Section 502. Establishment of Funds and Accounts.....	18

TABLE OF CONTENTS
(continued)

	Page
Section 503. Loan Fund.....	18
Section 504. Revenue Fund.....	19
Section 505. Debt Service Fund.....	19
Section 506. Rebate Fund.	20
Section 507. Cancellation and Destruction of Notes.....	20
ARTICLE VI DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS.....	21
Section 601. Depositories.	21
Section 602. Deposits.	21
Section 603. Investment of Certain Funds.	21
Section 604. Valuation and Sale of Investments.	22
ARTICLE VII PARTICULAR COVENANTS OF THE AUTHORITY.....	24
Section 701. Payment of Notes.....	24
Section 702. Extension of Payment of Notes.	24
Section 703. Offices for Servicing Notes.....	24
Section 704. Further Assurance.	24
Section 705. Power to Issue Notes and Pledge Pledged Property.	24
Section 706. Creation of Liens.....	25
Section 707. Accounts and Reports.....	25
Section 708. Payment of Taxes and Charges.	26
Section 709. General.....	26
Section 710. Tax Covenant.	26
Section 711. Notice to Rating Agencies.....	26
ARTICLE VIII REMEDIES OF NOTEHOLDERS.....	28
Section 801. Events of Default.....	28
Section 802. Accounting and Examination of Records After Default.	28
Section 803. Application of Pledged Property After Default.....	29
Section 804. Proceedings Brought by Trustee.	30
Section 805. Restrictions on Noteholder's Action.....	31
Section 806. Remedies Not Exclusive.....	31

TABLE OF CONTENTS

(continued)

	Page
Section 807. Effect of Waiver and Other Circumstances.	31
Section 808. Notice of Default.....	32
Section 809. Enforcement of County Guaranty.....	32
ARTICLE IX CONCERNING THE FIDUCIARIES	33
Section 901. Trustee; Appointment and Acceptance of Duties.	33
Section 902. Paying Agents; Appointment and Acceptance of Duties; Note Registrar.	33
Section 903. Responsibilities of Fiduciaries.	33
Section 904. Evidence on Which Fiduciaries May Act.....	34
Section 905. Compensation.....	34
Section 906. Certain Permitted Acts.....	35
Section 907. Resignation of Trustee.....	35
Section 908. Removal of the Trustee.....	35
Section 909. Appointment of Successor Trustee.....	35
Section 910. Transfer of Right and Property to Successor Trustee.....	36
Section 911. Merger or Consolidation.	36
Section 912. Adoption of Authentication.....	37
Section 913. Resignation or Removal of Paying Agent or Note Registrar and Appointment of Successor.	37
ARTICLE X SUPPLEMENTAL RESOLUTIONS.....	38
Section 1001. Supplemental Resolutions Effective Upon Filing With the Trustee.	38
Section 1002. Supplemental Resolutions Effective Upon Consent of Trustee.	39
Section 1003. Supplemental Resolutions Effective With Consent of Noteholders.....	39
Section 1004. General Provisions.	39
ARTICLE XI AMENDMENTS	41
Section 1101. Mailing and Publication.	41
Section 1102. Powers of Amendment.....	41
Section 1103. Consent of Noteholders.....	41
Section 1104. Modifications by Unanimous Consent.	42

TABLE OF CONTENTS

(continued)

	Page
Section 1105. Exclusion of Notes.....	43
Section 1106. Notation on Notes.....	43
ARTICLE XII MISCELLANEOUS	44
Section 1201. Defeasance.	44
Section 1202. Unclaimed Funds.	46
Section 1203. Evidence of Signatures of Noteholders and Ownership of Notes.....	47
Section 1204. Moneys Held for Particular Notes.....	48
Section 1205. Preservation and Inspection of Documents.	48
Section 1206. Parties Interested Herein.	48
Section 1207. No Recourse on the Notes.....	48
Section 1208. Publication of Notice; Suspension of Publication.	48
Section 1209. Severability of Invalid Provisions.....	48
Section 1210. Holidays.	48
Section 1211. Notices.	49
Section 1212. Return of Borrower Notes.....	49
ARTICLE XIII LOANS.....	50
Section 1301. Closing Procedure.....	50
Section 1302. Loan Defaults.	50
Section 1303. Payment or Prepayment of Borrower Note.....	50
ARTICLE XIV NOTE FORMS AND EFFECTIVE DATE.....	52
Section 1401. Form of Notes.	52
Section 1402. Form of Certificate of Authentication of Trustee or Note Registrar.	57
Section 1403. Form of County Guaranty.	57
Section 1404. Effective Date.	57

**2018 GOVERNMENTAL LOAN REVENUE NOTE RESOLUTION
(CITY OF PATERSON PROJECT)**

NOW BE IT RESOLVED by The Passaic County Improvement Authority as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

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

Account or Accounts shall mean, as the case may be, each or all of the Accounts established in Section 502.

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.

Act shall mean the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey, as amended and supplemented.

Annual Authority Administrative Fee shall mean the annual fee for the general administrative expenses of the Authority for the Notes, payable by the Borrower to the Trustee, which annual fee shall be zero for the Notes.

Authority shall mean The Passaic County Improvement Authority, a public body corporate and politic organized and existing under the Act and created pursuant to a resolution of the Board of Chosen Freeholders of Passaic County adopted on December 31, 2002, and any successor to its duties and functions.

Authority Administrative Expenses shall mean any and all reasonable 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 Resolution and the Note Purchase Agreement, as applicable, including, but not limited to, (i) the Initial Authority Financing Fee, (ii) the Annual Authority Administrative Fee, (iii) all fees and expenses, including, but not limited to, indemnification expenses, if any, incurred in connection with the issuance of the Notes, the financing of all or a portion of the Loan, compelling the full and punctual performance of this Resolution and the Note Purchase Agreement in accordance with the terms hereof and thereof, (iv) all reasonable fees and expenses, including, but not limited to, indemnification expenses, if any, of counsel, auditors, insurers, Fiduciaries and other and (v) any reasonable fees and expenses, including but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Note Registrar or the Trustee or any or all Fiduciaries in fulfilling any of their respective fiduciary responsibilities under this Resolution and the Note Purchase Agreement, all to the extent not capitalized pursuant to the requirements of this

Resolution, which Authority Administrative Expenses shall be paid by the Borrower under the Note Purchase Agreement.

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, Vice Chairman or Executive Director of the Authority containing the specimen signatures of each such person.

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

Authorized Newspaper shall mean a financial newspaper customarily published at least once a day for at least five 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 Counsel shall mean Gibbons P.C. or any other lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Authority.

Borrower shall mean the City of Paterson, in the County of Passaic, New Jersey.

Borrower Note shall mean the note of the Borrower purchased by the Authority pursuant to the Note Purchase Agreement to evidence the Loan from the Authority to the Borrower.

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 Note Registrar or any Paying Agent is legally authorized to close.

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

Contract of Purchase shall mean that certain Contract of Purchase between the Authority and the underwriters with respect to the sale and purchase of the Notes.

Cost of Issuance shall mean the costs and expenses of the Authority and its agents and employees, including discounts to the underwriters, incurred in connection with the issuance and sale of the Notes, including any fees and expenses of the Fiduciaries.

County shall mean the County of Passaic, New Jersey.

County Guaranty shall mean the County's guaranty, pursuant to Section 80 of the Act, of the payment of principal and interest when due on the Notes.

Debt Service for any period shall mean, as of any date of calculation and with respect to the Outstanding Notes, an amount equal to the sum of (i) the interest accruing during such period on such Notes except to the extent such interest is to be paid from deposits made from Note proceeds into the Debt Service Fund, and (ii) that portion of each Principal Installment for such Notes which would accrue during such period if such Principal Installment were deemed to

accrue daily in equal amounts from the next preceding Principal Installment due date for such Notes 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 issuance of the Notes, whichever is later. Such interest and Principal Installments shall be calculated on the assumption that no Notes 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 360 day year.

Debt Service Fund shall mean the Debt Service Fund established in Section 502.

Debt Service Requirement with respect to any Notes and with respect to the next Interest Payment Date for such Notes, shall mean, (i) in the case of an Interest Payment Date on which interest only shall be due, interest accrued and unpaid and to accrue to such date plus that portion of the Principal Installment or Installments for such Notes which would accrue to such date if such Principal Installment or Installments be deemed to accrue in the manner provided in the definition of "Debt Service" set forth in Section 101, and (ii) in the case of an Interest Payment Date on which both interest and a Principal Installment or Installments shall be due, interest accrued and unpaid and to accrue to such date plus the Principal Installment or Installments due on such date.

Defeasance Obligations shall mean (a) direct non-callable obligations of the United States of America, (b) evidences of ownership of proportionate interests in future interest and principal payments on direct non-callable obligations of the United States of America held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and such underlying obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated, or (c) pre-refunded municipal obligations rated "AAA" and "Aaa" by Standard & Poor's Ratings Services and Moody's Investors Service, respectively.

Depository shall mean any bank or trust company selected by the Authority as a depository of moneys and securities held under the provisions of the Resolution and shall include the Trustee and the Paying Agent.

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 the Notes.

Event of Default shall have the meaning given to such term in Section 801.

Fiduciary or Fiduciaries shall mean the Trustee, the Depositories, the Paying Agents, the Note Registrar, or any or all of them, as may be appropriate.

Fiscal Year shall mean the twelve (12) month fiscal period of the Authority.

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

Initial Authority Financing Fee shall mean an amount equal to .125% of the original par amount of the Notes for the initial financing fee of the Authority for the Notes or any other amount for the Initial Financing Fee determined by a Supplemental Resolution duly adopted by the Authority.

Interest Payment Date shall mean the maturity date of the Notes.

Investment Securities shall mean, to the extent permitted by law, (a) any direct and general obligation of or any obligation fully and unconditionally guaranteed by the United States of America, including obligations that do not pay current interest; (b) any Note, debenture, note, participation certificate or other evidence of indebtedness issued or guaranteed by any agency or corporation that has been created or may be created hereafter pursuant to an act of Congress as an agency or an instrumentality of the United States of America; (c) negotiable or nonnegotiable certificates of deposit issued by any bank, savings and loan association, trust company or national banking association (which may include any Fiduciary), and which certificates of deposit, except in the case of certificates of deposit issued by a bank, savings and loan association, trust company or national banking association (which may include any Fiduciary) either located in the State and eligible to accept deposits pursuant to the New Jersey Governmental Unit Deposit Protection Act or having capital stock and surplus of more than \$100,000,000, shall be continuously secured by obligations described in clauses (a), (b) or (d) of this definition that shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee by the bank, the savings and loan association, the trust company or the national banking association (which may include any Fiduciary) issuing such certificates of deposit; (d) full faith and credit obligations of the State or of any political subdivision thereof or revenue obligations of the State or of any political subdivision thereof rated in the two highest applicable rating categories by any nationally recognized rating service; (e) deposits in interest bearing accounts in any bank, savings and loan association, trust company or national banking association (which may include any Fiduciary) either located in the State and eligible to accept deposits pursuant to the New Jersey Governmental Unit Deposit Protection Act or having capital stock and surplus of more than \$100,000,000; (f) shares or beneficial interests in an investment fund or trust and whose assets consist solely of obligations described in clauses (a) or (b) of this definition; (g) interests in the State of New Jersey Cash Management Fund or other similar common trust fund for which the New Jersey State Treasurer is the custodian; (h) any investment agreement with any bank, trust company or national banking association (which may include any Fiduciary) having a capital stock and surplus of more than \$100,000,000 or with any government Note dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York or Philadelphia for the purchase of securities described in clause (a) or (b) above, provided such investment agreements shall be continuously secured by obligations described in clauses (a) or (b) of this definition having a market value at all times at least equal to the principal amount invested in such investment agreement; or (i) certificates that evidence ownership of the right to payments of principal or interest on obligations described in clause (a) hereof, provided that such obligations shall be held by the Trustee or in trust for the Trustee by a

bank, trust company or national banking association having a capital stock and surplus of more than \$200,000,000. The capital stock and surplus of any banking institution shall be determined by reference to its latest published financial statements.

Loan shall mean the loan by the Authority to the Borrower made, pursuant to the Note Purchase Agreement, from moneys in the Loan Fund. For all purposes of this Resolution, the principal amount of the Loan shall be the principal amount specified in the Borrower Note issued to the Authority in accordance with the Note Purchase Agreement.

Loan Fund shall mean the Loan Fund established in Section 502.

Loan Repayments means any payment of the principal of or interest on the Loan payable by the Borrower pursuant to its Borrower Note.

Month shall mean a calendar month.

Note or Notes shall mean the outstanding Governmental Loan Revenue Bond Anticipation Notes, Series 2018 (Passaic County Guaranteed) (City of Paterson Project) authenticated and delivered under and pursuant to the Resolution.

Noteholder or Holder of Notes or Holder shall mean any person who shall be the registered owner of any Note or Notes.

Note Purchase Agreement shall mean the note purchase agreement between the Authority and the Borrower which agreement shall be in form and substance satisfactory to the Authority.

Note Registrar shall mean the 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 Note Registrar enumerated in the Resolution.

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

(i) Notes cancelled by the Trustee at or prior to such date;

(ii) Notes (or portions of Notes) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Resolution and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Notes (or portions of Notes) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in Article IV;

(iii) Notes in lieu of or in substitution for which other Notes shall have been authenticated and delivered pursuant to Article III or Section 407 or Section 1106; and

(iv) Notes deemed to have been paid as provided in subsection 2 of Section 1201.

Paying Agent shall mean the commercial bank or trust company designated as paying agent for the Notes by the Authority and its successor or successors hereafter appointed in the manner provided in the Resolution.

Payment Date shall mean any Interest Payment Date or date for payment of principal on the Notes.

Pledged Property shall mean the Borrower Note and the Revenues and Funds other than the Rebate Fund, including Investment Securities held in any such Fund hereunder, together with all proceeds and revenues of the foregoing and all of the Authority's right, title and interest in and to the foregoing, and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Notes.

Principal Installment shall mean, as of any date of calculation, (i) the principal amount of Notes due on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance of any Sinking Fund Installments due on a certain future date for Notes, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Notes on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Notes, the sum of such principal amount of Notes and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

Rebate Fund shall mean the Rebate Fund established in Section 502.

Record Date shall mean the Business Day preceding (i) any Interest Payment Date or (ii) any other date on which interest is to be paid with respect to the Notes.

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

Resolution shall mean this 2018 Governmental Loan Revenue Note Resolution (City of Paterson Project) as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms hereof.

Revenue Fund shall mean the Revenue Fund established in Section 502.

Revenues shall mean (i) all Loan Repayments received by the Authority pursuant to the Borrower Note, (ii) payments received under the County Guaranty, (iii) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of Notes, and (iv) interest or other investment earnings received or to be received on any moneys or securities held pursuant to the Resolution and paid or required to be paid into the Revenue Fund.

Sinking Fund Installment shall mean the amount of money required hereby or by any Supplemental Resolution of the Authority to be paid into the Debt Service Fund by the Authority

toward the retirement of any Notes but does not include any amount payable by reason only of a maturity of any Notes.

State shall mean the State of New Jersey.

Supplemental Resolution shall mean any resolution supplemental to or amendatory of the Resolution adopted by the Authority in accordance with Article X hereof.

Tax Certificate shall mean the “Tax Certificate as to Arbitrage and Instructions as to Compliance with Provisions of Section 103(a) of the Internal Revenue Code of 1986” provided to the Authority by Gibbons P.C. on the date of issuance and delivery of the Notes, as such certificate may be amended from time to time.

Trustee shall mean the financial institution appointed by the Authority to act as trustee hereunder prior to the issuance of the Notes hereunder and any other trustee that at any time may be substituted in its place pursuant to the Resolution.

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 genders and vice versa. All times referenced herein shall be to New York City time unless otherwise specifically noted.

Section 102. Authority for the Resolution. This Resolution is adopted pursuant to the provisions of the Act.

Section 103. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Notes authorized to be issued hereunder by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Authority and the Holders from time to time of the Notes; and the security interest granted and the pledge and assignment made in the Resolution and the covenants and agreements therein 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 Notes, 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 Notes over any other thereof, all except as expressly provided in or permitted by the Resolution.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF NOTES

Section 201. Authorization of Notes. The Resolution authorizes Notes of the Authority to be designated as “Governmental Loan Revenue Bond Anticipation Notes, Series 2018 (Passaic County Guaranteed) (City of Paterson Project).” The Notes shall be direct and special obligations of the Authority. The aggregate principal amount of the Notes that may be executed, authenticated and delivered under the Resolution is not limited except as is or as hereafter may be provided in the Resolution or as may be limited by law.

Section 202. General Provisions for Issuance of Notes. 1. The Notes shall be executed by the Authority for issuance under the Resolution and shall be delivered to the Trustee or the Note Registrar. Thereupon the Trustee or the Note Registrar shall authenticate and shall deliver the Notes to the Authority or upon its order, but only upon the receipt by the Trustee of:

(a) an opinion of Bond Counsel to the effect 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 the Resolution; the Resolution has been duly and lawfully adopted by the Authority, is in full force and effect, is valid and binding upon the Authority and is enforceable in accordance with its terms and no other authorization for the Resolution is required; (ii) the Resolution creates the valid pledge that it purports to create of the Pledged Property; and (iii) the Notes are valid, binding, direct and special obligations of the Authority as provided in the Resolution, enforceable in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Resolution and of the Act as amended to the date of such opinion, and such Notes have been duly and validly authorized and issued in accordance with law, including the Act as amended to the date of such opinion and in accordance with the Resolution;

(b) a written order as to the delivery of such Notes signed by an Authorized Authority Representative, which order shall direct the application of the proceeds of such Notes.

(c) a copy, duly certified by an Authorized Authority Representative, of the Resolution and the resolution of the Authority delegating the award of the Notes;

(d) duly executed and delivered Borrower Note;

(e) a fully executed copy of the County Guaranty; and

(f) such further documents, moneys and securities as are required by the provisions of any Supplemental Resolution adopted pursuant to Article X.

2. After the original issuance of the Notes, no Notes shall be issued except in lieu of or in substitution for other Notes pursuant to Article III or Section 405 or 1107.

Section 203. Purpose of Notes. The Notes shall be issued, authenticated and delivered to make the Loan.

Section 204. The Notes. 1. A series of Notes entitled to the benefit, the protection and the security of the Resolution is hereby authorized in the aggregate principal amount of not more than \$15,615,000 for the purpose of making the Loan.

2. The Notes shall be dated and shall bear interest from the date set forth in the Contract of Purchase, which date shall not be prior to August 1, 2018 or later than the date of the initial delivery of the Notes, except as otherwise provided in Section 301. The Notes shall mature on the dates and in the principal amounts, and shall bear interest payable on the Interest Payment Dates at the respective rate per annum, set forth in the Contract of Purchase; provided that (i) the final maturity date shall not be later than September 30, 2019 and (ii) no interest rate shall exceed five percent (5%) per annum.

3. The Notes shall be issued in Authorized Denominations. Unless the Authority shall otherwise direct, the Notes shall be lettered and numbered from one upward in order of maturities preceded by the letter "R" and/or such other letter as determined by the Trustee prefixed to the number. Subject to the provisions of this Resolution, the form of the Notes and the Trustee's certificate of authentication shall be substantially in the form set forth in Section 1401 and 1402.

4. The principal and Redemption Price of the Notes shall be payable at the principal corporate trust office of the Paying Agent initially appointed by the Authority for the Notes. The principal and Redemption Price of all Notes shall also be payable 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 Resolution. Interest on the Notes shall be payable by check or draft of the Trustee, mailed or transmitted, respectively, to the Holders thereof as the same appear as of the Record Date on the books of the Authority maintained by the Trustee.

5. The Notes shall be subject to redemption prior to maturity at the option of the Authority as set forth in the Contract of Purchase.

6. The Notes, to the extent set forth in the Contract of Purchase, shall be subject to mandatory sinking fund redemption prior to maturity in Sinking Fund Installments on the redemption dates set forth in the Contract of Purchase, at the principal amount thereof together with accrued interest to the date of redemption. The Authority shall cause to be deposited in the Debt Service Fund on or before each sinking fund payment date an amount sufficient to redeem, and the Authority shall cause to be redeemed, the principal amounts of Notes on the sinking fund payment dates as set forth in the Contract of Purchase.

Section 205. Book Entry System. 1. Except as provided in subparagraph (3) of this Section 205, the registered Holder of all of the Notes shall be, and the Notes shall be registered in the name of, Cede & Co. ("Cede"), as nominee of DTC. Payment of interest for any Note, as applicable, shall be made by wire transfer of New York Clearing House or equivalent next day

funds to the account of Cede on the Interest Payment Date for the Notes at the address indicated for Cede in the registry books of the Authority kept by the Trustee.

2. The Notes shall be initially issued in the form of a separate single fully registered Note in the amount of each separate stated maturity of the Notes. Upon initial issuance, the ownership of each such Note shall be registered in the registry books of the Authority kept by the Trustee in the name of Cede, as nominee of DTC. With respect to Notes so registered in the name of Cede, the Authority and any Fiduciary shall have no responsibility or obligation to any DTC participant or to any beneficial owner of such Notes. Without limiting the immediately preceding sentence, the Authority and the Fiduciaries shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant with respect to any beneficial ownership interest in the Notes, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the Notes, including any notice of redemption, or (iii) the payment to any DTC participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal or Redemption Price of, or interest on, the Notes. The Authority and any Fiduciary may treat as, and deem DTC to be, the absolute owner of each Note for all purposes whatsoever, including (but not limited to) (i) payment of the principal or Redemption Price of, and interest on, each such Note, (ii) giving notices of redemption and other matters with respect to such Notes and (iii) registering transfers with respect to such Notes. The Paying Agent shall pay the principal or Redemption Price of, and interest on, all Notes 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 or Redemption Price, and interest, to the extent of the sum or sums so paid. No person other than DTC shall receive a Note evidencing the obligation of the Authority to make payments of principal or Redemption Price of, and interest on, the Notes pursuant to this Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions hereof, the word "Cede" in this Resolution shall refer to such new nominee of DTC.

3. (a) DTC may determine to discontinue providing its services with respect to the Notes at any time by giving written notice to the Authority and the Fiduciaries and discharging its responsibilities with respect thereto under applicable law.

(b) The Authority, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Notes if the Authority determines, and shall terminate the services of DTC with respect to the Notes upon receipt by the Authority and the Fiduciaries of written notice from DTC to the effect that DTC has received written notice from DTC participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Notes to the effect, that: (i) DTC is unable to discharge its responsibilities with respect to the Notes; or (ii) a continuation of the requirement that all of the Outstanding Notes 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 the Notes.

(c) Upon the termination of the services of DTC with respect to the Notes pursuant to subsection 205(3)(b)(ii) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Notes pursuant to subsection 205(3)(a) or subsection 205(3)(b)(i) 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, the Notes 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 Noteholders transferring or exchanging Notes shall designate, in accordance with the provisions of Article II hereof.

(d) Notwithstanding any other provision of this Resolution to the contrary, so long as any Note is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or Redemption Price of, and interest on, such Note, including the manner of noting partial payments of principal, and all notices with respect to such Note shall be made and given, respectively, to DTC as provided in the representation letter of the Authority and the Trustee addressed to DTC with respect to the Notes.

(e) In connection with any notice or other communication to be provided to Noteholders pursuant to this Resolution by the Authority or the Trustee with respect to any consent or other action to be taken by Noteholders, 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 15 calendar days in advance of such record date to the extent possible.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF NOTES

Section 301. Obligation of Notes; Medium of Payment; Form and Date; Letters and Numbers. 1. The Notes shall be payable, with respect to principal or Redemption Price and interest solely from the Pledged Property.

2. The Notes shall be payable with respect to principal or Redemption Price, 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. Any Notes shall be issued in the form of fully registered Notes.

4. Each Note shall be lettered and numbered as provided in this Resolution or the Supplemental Resolution authorizing such Note and so as to be distinguished from every other Note.

5. Notes upon original issuance shall be dated as provided in this Resolution. Principal or Redemption Price of the Notes shall be payable at maturity or earlier redemption upon presentation and surrender at the office of the Paying Agent. Notes shall bear interest as provided herein, payable by check or bank draft to registered owners of such Notes as of the Record Date provided for such Notes at their addresses on file with the Note Registrar. So long as any series of Notes are held in book-entry form pursuant to the Resolution or Supplemental Resolution authorizing such series, the provisions of the Section relating to the use of the book-entry system shall govern the payment, as applicable, of principal and Redemption Price of, and interest on, such series of Notes. After original issue all Notes exchanged or transferred shall bear an authentication date that shall be the date they are authenticated. Interest on Notes shall accrue from the Interest Payment Date to which interest has been paid next preceding the authentication date unless (1) the date of authentication is also an Interest Payment Date to which interest has been paid, in which event such Notes shall be dated and shall bear interest from the date of authentication or (2) the date of authentication is prior to the first Interest Payment Date, in which event such Notes shall bear interest from the original issuance date of such Notes.

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

Section 303. Execution of Notes. Each Note 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 that any officer who shall have signed, sealed or attested any of the Notes shall cease to be such officer of the Authority before the Notes so signed, sealed or attested shall have been

authenticated and delivered by the Trustee or by the Note Registrar, such Notes nevertheless may be authenticated and delivered as herein provided as if the person who so signed, sealed or attested such Notes had not ceased to be such officer. The Notes 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 that at the date of such Notes such person may not have held such office.

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

Section 305. Transfer, Exchange and Registry of Notes and Agency. The Authority shall cause the Note Registrar to maintain and to keep books for the registration, the exchange and the transfer of Notes.

Upon presentation of Notes for transfer or exchange at the designated office of the Note Registrar, together with a written instrument of transfer satisfactory to the Note Registrar duly executed by the Holder or by his attorney duly authorized in writing, the Note Registrar shall register or shall cause to be registered therein and shall permit to be transferred thereon or to be exchanged any Note entitled to registration, transfer or exchange. The Note Registrar hereby is appointed the agent of the Authority for such registration, transfer or exchange of Notes.

Upon the transfer or exchange of any Note, the Authority shall execute, and the Trustee or the Note Registrar shall authenticate and shall deliver a new Note or Notes in any Authorized Denomination registered in the name of the Holder or transferee of the same aggregate principal amount and series, designation and maturity as the surrendered Note.

All Notes surrendered in any such exchanges or transfers shall forthwith be delivered to the Note Registrar and cancelled or retained by the Note Registrar. For every such exchange or transfer of Notes, whether temporary or definitive, the Authority or the Note 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 Note Registrar shall be required to transfer or exchange any Notes for a period of three (3) days next preceding any selection of Notes to be redeemed or thereafter until after the first publication or mailing of any notice of redemption or any Notes called for redemption.

Section 306. Reissuance of Mutilated, Destroyed, Stolen or Lost Notes. In case any outstanding Note shall be mutilated, destroyed, stolen or lost, the Trustee or the Note Registrar

shall authenticate and shall deliver a new Note, of like tenor, number and amount as the Note so mutilated, destroyed, stolen or lost in exchange and in substitution for and upon surrender of such mutilated Note or in lieu of and in substitution for the Note if any, destroyed, stolen or lost upon filing with the Trustee and the Note Registrar evidence satisfactory to the Authority, the Trustee and the Note Registrar that such Note had been destroyed, stolen or lost and proof of ownership thereof, upon furnishing the Authority, the Trustee and the Note Registrar with indemnity satisfactory to them, upon paying such expenses as the Authority, the Trustee and the Note Registrar may incur in connection therewith and upon complying with such other reasonable regulations as the Authority, the Trustee and the Note Registrar may prescribe. In lieu of reissuing a mutilated, destroyed, lost or stolen Note that is due and payable, the Trustee and the Note Registrar may pay the amount due on such Note to the owner or the Holder thereof, provided all the other requirements of this Section have been met.

Section 307. Temporary Notes. Until the definitive Notes of any series are prepared, the Authority may execute in the same manner as is provided in Section 303 and, upon the request of the Authority, the Trustee or Note Registrar shall authenticate and shall deliver in lieu of definitive Notes but subject to the same provisions, limitations and conditions as the definitive Notes except as to the denominations thereof and as to exchangeability for registered Notes, one or more temporary Notes of the tenor of the definitive Notes in lieu of which such temporary Note or Notes are issued, in Authorized Denominations and with such omissions, insertions and variations as may be appropriate to temporary Notes 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 Notes, the Trustee or the Note Registrar shall authenticate and shall deliver in exchange therefor definitive Notes of the Authority without charge to the Holder thereof.

ARTICLE IV

REDEMPTION OF NOTES

Section 401. Privilege of Redemption and Redemption Price. Notes subject to redemption prior to maturity pursuant to this Note Resolution shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms in addition to the terms contained in this Article IV as may be specified in this Resolution.

Section 402. Redemption. In the case of any redemption of Notes at the election or direction of the Authority, the Authority shall give written notice to the Trustee of its election or direction to so redeem, of the redemption date, and of the principal amounts of the Notes of each maturity to be redeemed (which maturities and principal amounts thereof to be redeemed shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in this Resolution). Such notice shall be given at least fifty (50) days prior to the redemption date or such shorter period as shall be agreed to in writing by the Trustee. Notice of redemption shall be given to Noteholders as provided in Section 405; provided, however, that such notice of redemption, other than any redemption required by the terms of the Resolution as provided in Section 403 or of any redemption of Notes with proceeds of Notes, notes or other obligations of the Authority issued on behalf of the Borrower for purposes of refunding all or a portion of the Notes, shall not be given unless prior to giving such notice there shall be paid by the Authority to the Paying Agent on or prior to the giving of such redemption notice an amount in cash which, in addition to other moneys, if any, available therefor held by the Paying Agent, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Notes to be redeemed. The Authority shall promptly notify the Trustee in writing of all such payments by the Authority to the Paying Agent.

Section 403. Redemption Otherwise than at Authority's Election or Direction.

Whenever by the terms of the Resolution the Trustee is required or authorized to redeem Notes otherwise than at the election or direction of the Authority, the Trustee shall select the Notes to be redeemed, give the notice of redemption as provided in Section 405 and pay out of moneys available therefor the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, to the Paying Agent in accordance with the terms of this Article IV and, to the extent applicable, Article V.

Section 404. Selection of Notes to be Redeemed. If less than all of the Notes of like maturity shall be called for prior redemption, the particular Notes or portions of Notes to be redeemed shall be selected by lot 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 Note of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or any integral multiple thereof, and that, in selecting Notes for redemption, the Trustee shall treat each Note as representing that number of Notes that is obtained by dividing the principal amount of such Note by the minimum denomination in which Notes are authorized to be outstanding after the redemption date.

Section 405. Notice of Redemption. When Notes have been selected for redemption pursuant to any provision of this Resolution, the Trustee shall give written notice of the redemption of such Notes in the name of the Authority at the times specified in the second paragraph of this Section, which notice shall set forth: (i) the date fixed for redemption, (ii) the Redemption Price to be paid, (iii) that such Notes will be redeemed at the Principal Office of the Paying Agent, (iv) if less than all of such Notes shall be called for redemption, the distinctive numbers and letters, if any, of such Notes to be redeemed, and (v) in the case of Notes to be redeemed in part only, the portion of the principal amount thereof to be redeemed. Such notice shall further state that on the redemption date there shall become due and payable the Redemption Price of all Notes to be redeemed, together with interest accrued thereon to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. In case any Note is to be redeemed in part only, the notice of redemption that relates to such Note shall state also that on or after the redemption date, upon surrender of such Note, the Holder thereof shall be entitled to a new Note or Notes, bearing interest at the same rate and in aggregate principal amount equal to the unredeemed portion of such Note.

The notice required to be given by the Trustee pursuant to this Section shall be sent by registered mail to the registered owners of the Notes to be redeemed, at their addresses as they appear on the Note registration books of the Authority, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date. The failure to give notice of the redemption of any Note or portion thereof to the registered Holder of such Note as herein provided shall not affect the validity of the proceedings for the redemption of any Notes for which notice of redemption has been given in accordance with the provisions of this Section.

Section 406. Payment of Redeemed Notes. On the date designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Notes or portions of Notes called for redemption shall become and be due and payable at the Redemption Price provided for redemption of such Notes or such portions thereof on such date and, if moneys for the payment of the Redemption Price and the accrued interest to the redemption date are held in a separate account by the Trustee in trust for the Holders of such Notes, interest on such Notes or such portions thereof so called for redemption shall cease to accrue, such Notes or such portions thereof shall cease to be entitled to any benefit or security under this Resolution and the Holders of such Notes or portions of Notes shall have no rights in respect thereof except to receive payment of the Redemption Price thereof and the accrued interest thereon to the date of redemption and, to the extent provided in Section 407 hereof, to receive Notes for any unredeemed portions of Notes. If moneys for the payment of the Redemption Price and the accrued interest to the redemption date are not so held by the Trustee, such Notes or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 407. Redemption of Portions of Notes. In case part but not all of an Outstanding Note shall be selected for redemption, upon presentation and surrender of such Note to the Paying Agent for payment of the principal amount thereof so called for redemption and accrued interest thereon on or after the redemption date, the Authority shall execute and the Trustee shall authenticate and deliver to or upon the order of the registered Holder thereof or his attorney or legal representative, without charge therefor, a Note or Notes bearing interest at the

same rate and of any denomination or denominations authorized by this Resolution in aggregate principal amount equal to the unredeemed portion of such Note.

ARTICLE V

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 501. The Pledge Effected by the Resolution. 1. The Notes are direct and special obligations of the Authority payable solely from the Pledged Property. There is hereby pledged and assigned as security for the payment of the principal and Redemption Price of, and interest on, the Notes in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, all of the Pledged Property.

2. All Pledged Property shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, 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. 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 other income and funds other than the Pledged Property, including, without limitation, bonds, notes or other obligations secured by Federal or State grants.

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

- (1) Loan Fund, to be held by the Trustee,
- (2) Revenue Fund, to be held by the Trustee,
- (3) Debt Service Fund, to be held by the Trustee, and
- (4) Rebate Fund, to be held by the Authority.

Furthermore, the Trustee shall establish a Cost of Issuance Account and Administrative Expense Account, upon written direction of the Authority, for Costs of Issuance and administrative expenses of the Authority, respectively, on the Notes, pursuant to a certificate of an Authorized Authority Representative.

Section 503. Loan Fund. 1. There shall be paid into the Loan Fund the amounts required to be so paid by the provisions of this Resolution or any Supplemental Resolution. The Trustee shall apply moneys in the Loan Fund, at the written direction of the Authority, to the making of the Loan to the Borrower in accordance with Article XIII hereof.

2. Notwithstanding any of the other provisions of this Section, to the extent that other moneys are not available therefor, amounts in the Loan Fund shall be transferred from the Loan Fund for deposit in Debt Service Fund and applied, to the extent necessary (or all moneys

in said Loan Fund if necessary) to the payment of principal of and interest on the Notes when due.

3. If it shall be determined that any amounts on deposit in the Loan Fund are no longer required to make the Loan, such fact shall be evidenced by a certificate or certificates of an Authorized Authority Representative which shall be filed with the Trustee stating such fact and any amount shown therein as no longer being required, and, in any event, all amounts on deposit in the Loan Fund three years after the date of initial issuance and delivery of the Notes shall be paid over or transferred to the Debt Service Fund for application to the retirement of Notes by purchase or redemption.

Section 504. Revenue Fund. All Revenues shall be promptly deposited by the Trustee upon receipt thereof into the Revenue Fund. On or prior to the fifteenth (15th) day before each Interest Payment Date, the Trustee shall transfer to the Debt Service Fund the amount, if any, required so that the balance in said Fund shall equal the sum of the amounts of the Debt Service Requirement on all Notes for the next respective succeeding Interest Payment Date, provided that, for the purposes of computing the amount to be deposited in said Fund, there shall be excluded from the balance in said Fund the amount, if any, set aside in said Fund from the proceeds of Notes for the payment of interest on Notes less that amount of such proceeds to be applied in accordance with the Resolution to the payment of interest accrued and unpaid and to accrue on Notes to the next Interest Payment Date. On or prior to each redemption date for all or part of the Notes which is not a Sinking Fund Installment due date, the Trustee shall transfer to the Debt Service Fund the amount required to redeem such Notes on such redemption date. So long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Notes in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon) no transfers shall be required to be made to the Debt Service Fund.

Section 505. Debt Service Fund. 1. On each Interest Payment Date and each redemption date, the Trustee shall withdraw from the Debt Service Fund an amount equal to the interest due on the Notes on such Interest Payment Date or redemption date, which moneys shall be paid by the Paying Agent to the payment of such interest.

2. On the maturity or Sinking Fund Installment due date of any Notes, the Trustee shall make available to the Paying Agent from moneys in the Debt Service Fund an amount equal to the principal or Redemption Price of the Notes due on such date, which moneys shall be applied by the Paying Agent to the payment of such principal or Redemption Price.

3. On each redemption date, other than a Sinking Fund Installment due date, the Trustee shall make available to the Paying Agent from moneys in the Debt Service Fund an amount equal to the Redemption Price of the Notes to be redeemed on such redemption date, which moneys shall be applied by the Paying Agent to the payment of such Redemption Price.

4. Amounts accumulated in the Debt Service Fund with respect to any Sinking Fund Installment, if so directed in writing by the Authority, shall be paid by the Trustee, on or prior to the fortieth (40th) day next preceding the due date of such Sinking Fund Installment, for the purchase of Notes of the maturity for which such Sinking Fund Installment was established. All

purchases of any Notes pursuant to this subsection 4 shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Notes plus accrued interest, and such purchases shall be made by the Trustee as directed in writing from time to time by the Authority. The applicable sinking fund Redemption Price (or principal amount of maturing Notes) of any Notes so purchased or redeemed shall be deemed to constitute part of the Debt Service Fund until such Sinking Fund Installment date, for the purpose of calculating the amount of such Fund. As soon as practicable after the fortieth (40th) day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, by giving notice as provided in Section 405, on such due date Notes of the maturity for which such Sinking Fund Installment was established (except in the case of Notes maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Debt Service Fund to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Notes so called for redemption (or for the payment of such Notes then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Notes shall be paid by the Authority from the Debt Service Fund or from other legally available funds of the Authority.

Section 506. Rebate Fund. Moneys on deposit in the Rebate Fund, including earnings on or gain realized on any moneys or investments therein, shall be held by the Authority in trust and applied as provided by instructions to the Authority contained in the Tax Certificate delivered pursuant to Section 710 hereof.

Section 507. Cancellation and Destruction of Notes. All Notes paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Notes, together with all Notes purchased or redeemed pursuant to Section 505(4) which have been delivered to the Trustee for application as a credit against Sinking Fund Installments and all Notes purchased or redeemed by the Trustee, shall thereupon be promptly cancelled. Notes so cancelled 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 Notes so destroyed, and one executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Trustee.

ARTICLE VI

DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 601. Depositories. 1. All moneys held by the Trustee and the Authority under the provisions of the Resolution shall constitute trust funds and the Trustee and the Authority may deposit such moneys with one or more Depositories in trust for said parties. All moneys deposited under the provisions of the Resolution with the Trustee or any Depository shall be held in trust and applied only in accordance with the provisions of the Resolution, and each of the Funds and Accounts established by the Resolution shall be a trust fund for the purposes thereof.

2. Each Depository, other than the Trustee and the Paying Agent, shall be a bank or trust company organized under the laws of the State of New Jersey or a national banking association having capital stock, surplus and undivided earnings of \$50,000,000 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 the Resolution.

Section 602. Deposits. 1. All Revenues and moneys held by any Depository under the Resolution may be placed on demand or time deposit satisfying the requirements of clause (b) or (c) of the definition of Investment Securities, 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. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

2. All moneys held under the Resolution by the Trustee or any Depository shall be held in such other manner as may then be required by applicable Federal or State of New Jersey laws and regulations.

3. All moneys deposited with the Trustee and each Depository 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 and each Depository.

Section 603. Investment of Certain Funds. Moneys held in Debt Service Fund, the Loan Fund and the Revenue 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 Fund. 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. In making any investment in any Investment Securities with moneys in any Fund established under the Resolution, the Authority may instruct in writing the Trustee or any Depository to combine such moneys with moneys in any other Fund, but solely for purposes of making such investment in such Investment Securities.

Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) earned or any gain realized on any moneys or investments in such Funds, other than the Loan Fund, Debt Service Fund and the Rebate Fund, shall be held for the benefit of the Revenue Fund and shall be paid into the Revenue Fund on a periodic basis at least quarterly or as otherwise shall be directed by the Authority. Interest earned or gain realized on any moneys or investments in the Debt Service Fund and the Rebate Fund shall be held in such Fund for the purposes thereof.

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

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

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

In computing the amount in any Fund created under the provisions of the Resolution for any purpose provided in the Resolution, Investment Securities shall be valued at the market value thereof; provided that the collateral required with respect to Investment Securities described in clause (f) of the definition of Investment Securities shall be valued as set forth below. 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 computation shall be determined as of November 1 in each year, and at such other times as the Authority shall determine.

Except as otherwise provided in the Resolution, the Trustee or any Depository shall use its best efforts to sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested in writing by an Authorized Authority Representative so to do. Whenever it shall be necessary, or upon direction of the Authority in accordance with the Resolution, in order to provide moneys to meet any payment or transfer from any Fund held by the Trustee or any Depository, the Trustee or any Depository shall use its best efforts to sell at the best price obtainable or present for redemption such obligation or

obligations designated by an Authorized Authority Representative necessary to provide sufficient moneys for such payment or transfer.

Collateral required with respect Investment Securities described in clause (f) of the definition of Investment Securities shall be valued as follows:

(a) On each valuation date the Trustee, or the custodian who shall confirm to the Authority and the Trustee, shall value the market value (exclusive of accrued interest) of the collateral, which market value will be an amount equal to the requisite collateral percentage times the principal amount of the investment and unpaid accrued interest thereon that is being secured; and

(b) In the event that the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one Business Day for daily valuations, two Business Days for weekly and monthly valuations, and one month for quarterly valuations.

The Trustee must terminate the repurchase agreement upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the collateral, liquidate the collateral.

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

ARTICLE VII

PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees with the Trustee and the Noteholders as follows:

Section 701. Payment of Notes. The Authority shall duly and punctually pay or cause to be paid, but solely from the Pledged Property, the principal or Redemption Price, if any, of every Note and the interest thereon at the dates and places and in the manner provided in the Notes, according to the true intent and meaning thereof.

Section 702. Extension of Payment of Notes. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Notes or the time of payment of any claims for interest by the purchase or funding of such Notes or claims for interest or by any other arrangement, and in case the maturity of any of the Notes or the time for payment of any such claims for interest shall be extended, such Notes or claims for interest shall not be entitled, in case of any default under the Resolution, to the benefit of the Resolution or to any payment out of Revenues or Funds established by the Resolution, including the investments, if any, thereof, pledged under the Resolution or the moneys (except moneys held in trust for the payment of particular Notes or claims for interest pursuant to the Resolution) held by the Fiduciaries, except subject to the prior payment of the principal of all Notes Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Notes as shall not be represented by such extended claims for interest.

Section 703. Offices for Servicing Notes. The Authority shall at all times maintain one or more agencies in the State of New Jersey, and may maintain one or more such agencies in any other state or states, where Notes may be presented for payment. The Authority shall at all times maintain one or more agencies where Notes may be presented for registration or transfer and where notices, demands and other documents may be served upon the Authority in respect of the Notes or of the Resolution, and the Trustee shall continuously maintain or make arrangements to provide such services.

Section 704. Further Assurance. At any and all times the Authority shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and funds hereby pledged, or intended so to be, or which the Authority may become bound to pledge.

Section 705. Power to Issue Notes and Pledge Pledged Property. The Authority is duly authorized under all applicable laws to create and issue the Notes, to adopt the Resolution and to pledge the Pledged Property purported to be subjected to the lien of the Resolution in the manner and to the extent provided in the Resolution. Except to the extent otherwise provided in the Resolution, the Pledged Property so pledged is and will be free and clear of any pledge, lien,

charge or encumbrance thereon or with respect thereto prior to, or of equal rank with the pledge and assignment created by the Resolution, and all action on the part of the Authority to that end has been and will be duly and validly taken. The Notes and the provisions of the Resolution are and will be the valid and legally binding obligations of the Authority. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Property under the Resolution and all the rights of the Noteholders under the Resolution against all claims and demands of all persons whomsoever.

Section 706. Creation of Liens. The Authority shall not issue any Notes, notes, debentures or other evidences of indebtedness of similar nature, other than the Notes, payable out of or secured by a pledge or assignment of the Pledged Property held or set aside by the Fiduciaries under the Resolution and shall not create or cause to be created any lien or charge on the Pledged Property, provided, however, that nothing contained in the Resolution shall prevent the Authority from issuing, if and to the extent permitted by law evidences of indebtedness payable out of or secured by a pledge and assignment of the Pledged Property on and after such date as the pledge of the Pledged Property provided in the Resolution shall be discharged and satisfied as provided in Section 1201.

Section 707. 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 and each Fund or Account established under the Resolution. All books and papers of the Authority shall, subject to the terms thereof, at all times be subject to the inspection of the Trustee and the Holders of an aggregate of not less than 5% in principal amount of the Notes then Outstanding or their representatives duly authorized in writing.

2. The Trustee and any Depository 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 the Resolution.

3. The Authority shall annually, within 180 days after the close of its fiscal year, file or cause to be filed with the Trustee, and otherwise as provided by law, a copy of an annual report for such fiscal year, accompanied by an Accountant's Certificate and including the following statements in reasonable detail: (i) a statement of assets and liabilities as of the end of such fiscal year; and (ii) a statement of revenues and expenses of the Authority for such fiscal year.

4. The Authority shall file or cause to be filed with the Trustee (a) 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 the Resolution, a certificate signed by an Authorized Authority Representative and specifying such Event of Default or default and (b) within 90 days after the end of each of its fiscal year, a certificate signed by an appropriate Authorized Authority Representative stating whether, to the best of his knowledge and belief, the Authority has kept, observed, performed and fulfilled its covenants and obligations contained in the Resolution and that there does not exist at the date of such certificate any default by the Authority under the Resolution or any Event of Default or other event which, with the lapse of

time specified in Section 801, would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

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

Section 708. 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 the Resolution), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which the Authority shall in good faith contest by proper legal proceedings if the Authority shall in all such cases have set aside on its books reserves deemed adequate with respect thereto.

Section 709. General. Upon the date of authentication and delivery of any of the Notes, all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of such Notes shall exist, have happened and have been performed and the issue of such Notes, together with all other indebtedness of the Authority, shall comply in all respects with the applicable laws of the State.

1. 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 and the Resolution.

Section 710. Tax Covenant. The Authority covenants to maintain the exclusion from gross income for Federal income tax purposes of interest on the Notes. In furtherance of the covenant contained in the preceding sentence, the Authority will, among other things, comply with the Tax Certificate. The Authority covenants that it will not take action or fail to take any action with respect to the Notes which would cause such Notes to be "arbitrage Notes," within the meaning of such term as used in Section 148 of the Code and the regulations promulgated thereunder as amended from time to time.

Notwithstanding any other provision of the Resolution to the contrary, so long as necessary in order to maintain the exclusion from gross income for Federal income tax purposes of interest on the Notes, the covenants contained in this Section 710 shall survive the payment or discharge thereof pursuant to Section 1201 of the Resolution.

Section 711. Notice to Rating Agencies. If the Notes are rated by Moody's Investors Service, Inc. and/or by S&P Global Ratings, acting through Standard & Poor Financial Services LLC, and/or by Fitch, Inc., then the Authority shall give notice to the rating agency or agencies

that rated the Notes of any material amendments to the Resolution, of any change in the Trustee and of the redemption or defeasance of all or any of the Notes not less than 15 days prior to the effective date thereof. Such notices should be sent to the following addresses:

Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street
New York, New York 10007
Attention: Municipal Department Structured Financing Group

S&P Global Ratings, acting through
Standard & Poor's Financial Services LLC
55 Water Street
New York, New York 10041

Fitch, Inc.
One State Street Plaza
New York, New York 10004

ARTICLE VIII

REMEDIES OF NOTEHOLDERS

Section 801. Events of Default. The following events shall constitute an Event of Default under the Resolution:

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

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

(iii) 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 the Resolution or in the Notes contained, and such default shall continue for a period of thirty (30) days after written notice thereof to the Authority by the Trustee or to the Authority and the Trustee by the Holders of not less than ten percent (10%) in principal amount of the Notes Outstanding;

(iv) 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 make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable to meet its debts as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing; or

(v) if a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the 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 the Pledged Property and/or Revenues, 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 60 consecutive days.

Section 802. 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 its 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 the Resolution for such period as shall be stated in such demand.

Section 803. 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 (a) forthwith, all Pledged Property then held by the Authority under the Resolution, and (b) all Revenues which are not paid directly to the Trustee as promptly as practicable after receipt thereof.

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

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

(ii) Principal or Redemption Price and Interest — to the payment of the interest and principal or Redemption Price then due on the Notes, as follows:

(a) unless the principal of all of the Notes shall have become due and payable,

First: Interest — To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Notes, theretofore called for redemption, 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 or Redemption Price — To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Notes which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Notes due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference;

(b) If the principal of all of the Notes shall have become due and payable, to the payment of the principal and interest then due and unpaid upon the Notes 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 Note over any

other Note, 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 Notes.

3. If and whenever all overdue installments of all Notes, 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 the Resolution, including the principal and Redemption Price of and accrued unpaid interest on all Notes which shall then be payable, by declaration or otherwise shall either be paid by or for the account of the Authority, or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under the Resolution or the Notes 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 the Resolution to be deposited or pledged, with the Trustee) and thereupon the Authority and the Trustee shall be restored, respectively, to their former positions and rights under the Resolution. No such payment over to the Authority by the Trustee nor such restoration of the Authority and the Trustee to their former positions and rights shall extend to or affect any subsequent default under the Resolution or impair any right consequent thereon.

Section 804. 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 twenty-five percent (25%) in principal amount of the Notes Outstanding, shall proceed to protect and enforce its rights and the rights of the Holders of the Notes under the Resolution forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Resolution.

2. All rights of action under the Resolution may be enforced by the Trustee without the possession of any of the Notes 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 not less than a majority in principal amount of the Notes at the time Outstanding, may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Noteholders not parties to such direction.

4. Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Resolution, the Trustee shall be

entitled to exercise any and all rights and powers conferred in the Resolution and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

5. Regardless of the happening of an Event of Default, the Trustee shall have power, but unless requested in writing by the Holders of twenty-five percent (25%) in principal amount of the Notes then Outstanding and furnished with reasonable security and indemnity, 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 the Resolution by any acts which may be unlawful or in violation of the Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Noteholders.

Section 805. Restrictions on Noteholder's Action. 1. No Holder of any Note shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Resolution or the execution of any trust under the Resolution or for any remedy under the Resolution, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Holders of at least twenty-five percent (25%) in principal amount of the Notes 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 the Resolution or by the Act or by the laws of the State of New Jersey 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 against the costs, fees (including reasonable attorneys' fees), expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Notes shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by the Resolution, or to enforce any right under the Resolution, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Resolution shall be instituted, had and maintained in the manner provided in the Resolution and for the equal benefit of all Holders of the Outstanding Notes, subject only to the provisions of Section 702.

2. Nothing contained in the Resolution or in the Notes 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 premium, if any) and interest on the Notes to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Note.

Section 806. Remedies Not Exclusive. No remedy by the terms of the Resolution conferred upon or reserved to the Trustee or the Noteholders 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 the Resolution or existing at law or in equity or by statute on or after the date of execution and delivery of the Resolution.

Section 807. Effect of Waiver and Other Circumstances. No delay or omission of the Trustee or any Noteholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such

Event of Default or be an acquiescence therein; and every power and remedy given by this Article to the Trustee or to the Noteholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Noteholders.

Section 808. Notice of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default to each registered owner of Notes 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 to the Authority and the Paying Agent

Section 809. Enforcement of County Guaranty. The Trustee shall promptly enforce, and seek payment pursuant to, the County Guaranty upon the failure of the County to make timely payments under the County Guaranty.

ARTICLE IX

CONCERNING THE FIDUCIARIES

Section 901. Trustee; Appointment and Acceptance of Duties. The Trustee appointed by the Authority shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Authority a written acceptance thereof, and by executing such acceptance the Trustee shall be deemed to have accepted such duties and obligations with respect to all the Notes thereafter to be issued, but only, however, upon the terms and conditions set forth in the Resolution.

Section 902. Paying Agents; Appointment and Acceptance of Duties; Note Registrar. 1. The Authority shall appoint one or more Paying Agents for the Notes, 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 913 for a successor Paying Agent. The Trustee may be appointed a Paying Agent.

2. 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 Notes.

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

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

Section 903. Responsibilities of Fiduciaries. 1. The recitals of fact herein and in the Notes 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 the Resolution or of any Notes issued thereunder or as to the security afforded by the Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee or Note Registrar shall, however, be responsible for its representations contained in its certificate of authentication on the Notes. 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 the Resolution to the Authority or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified to its satisfaction. Subject to the provisions of subsection 2 of this Section 903, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

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 the Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Resolution, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of the Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 903 and Section 904.

Section 904. 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 the Resolution, shall examine such instrument to determine whether it conforms to the requirements of the Resolution and shall be protected in acting upon any such instrument believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Resolution in good faith and in accordance therewith.

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

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

Section 905. Compensation. The Authority shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including without limitation those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Resolution, in accordance with the agreements made from time to time between the Authority and the Fiduciary, and the Trustee and each Paying Agent shall have a lien therefor on any and all funds at any time held by it under the Resolution, prior to any of the Notes for which such services have been rendered. Subject to the provisions of Section 903, 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, misconduct or default. The provisions of this Section shall survive the payment of the Notes pursuant to Section 1201.

Section 906. Certain Permitted Acts. Any Fiduciary, individually or otherwise, may become the owner of any Notes, 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 Noteholders or to effect or aid in any reorganization growing out of the enforcement of the Notes or the Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Notes then Outstanding. To the extent permitted by law, any Fiduciary may provide banking, financial and similar services to the Authority.

Section 907. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties created by the Resolution by giving not less than sixty (60) days written notice to the Authority, and mailing notice thereof to the Holders of Notes 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 Noteholders as provided in Section 909, in which event such resignation shall take effect immediately on the appointment of such successor and the acceptance by such successor of the duties of Trustee under the Resolution, or (ii) a successor shall not have been appointed by the Authority or the Noteholders as provided in Section 909 on such date, in which event such resignation shall not take effect until a successor is appointed and has accepted the duties of Trustee hereunder.

Section 908. 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 a majority in principal amount of the Notes then Outstanding or their attorneys-in-fact duly authorized, excluding any Notes held by or for the account of the Authority. 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 just cause by a resolution of the Authority filed with the Trustee. No such removal of the Trustee shall be effective until a successor Trustee shall be appointed as provided in Section 909 and until such appointment shall be accepted by the party so designated as a successor Trustee.

Section 909. 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, then by the Holders of a majority in principal amount of the Notes then Outstanding, excluding any Notes held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Noteholders 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 Noteholders to the registered owners of the Notes then Outstanding

and to Moody's Investors Service, Inc. and/or Standard & Poor's Ratings Services and/or by Fitch, Inc. if the Notes are then rated by such rating agency or agencies.

2. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the Authority written notice as provided in Section 907 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 Note 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 909 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 \$50,000,000 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 the Resolution.

Section 910. Transfer of Right and Property to Successor Trustee. Any successor Trustee appointed under the Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, 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 instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property, rights, interests and estates held by it under the Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

Section 911. 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 the Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section 912. Adoption of Authentication. In case any of the Notes contemplated to be issued under the Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Notes and deliver such Notes so authenticated; and in case any of the said Notes shall not have been authenticated, any successor Trustee may authenticate such Notes 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 Notes or in the Resolution provided that the certificate of the Trustee shall have.

Section 913. Resignation or Removal of Paying Agent or Note Registrar and Appointment of Successor. 1. Any Paying Agent or Note Registrar may at any time resign and be discharged of the duties and obligations created by the Resolution by giving at least sixty (60) days written notice to the Authority, the Trustee, and the Paying Agent or Note Registrar. Any Paying Agent or Note Registrar may be removed by the Authority at any time by an instrument filed with such Paying Agent or Note Registrar and the Trustee and signed by an Authorized Authority Representative. Any successor Paying Agent or Note 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 \$50,000,000, 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 the Resolution.

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

ARTICLE X

SUPPLEMENTAL RESOLUTIONS

Section 1001. Supplemental Resolutions Effective Upon Filing With the Trustee.

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the Authority may be adopted, 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 the Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Resolution on, the authentication and delivery of Notes or the issuance of other evidences of indebtedness;

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

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

(4) To authorize, in compliance with all applicable law, Notes to be issued in the form of Notes issued and held in 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 Notes, as are necessary or appropriate to accomplish or recognize such book-entry form Notes, substitute for any such Fiduciary or custodian, provide for in, and amend any provisions in, the Resolution relating to the giving of notice, and specify and determine the matters and things relative to the issuance of such book-entry form Notes as are appropriate or necessary;

(5) 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, the Resolution of the Pledged Property and to pledge any additional revenues, moneys, securities or other agreements; and

(6) To modify any of the provisions of the Resolution in any other respect whatever, provided that such modification shall become effective prior to the authentication and delivery of the first Note authorized to be

issued pursuant to this Resolution, such Supplemental Resolution shall be specifically referred to in the text of all Notes authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Notes issued in exchange therefor or in place thereof.

Section 1002. Supplemental Resolutions Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Authority Representative, and (ii) the filing with the Trustee and the Authority of instruments in writing made by the Trustee 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 the Resolution; or

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

Section 1003. Supplemental Resolutions Effective With Consent of Noteholders. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by the Noteholders in accordance with and subject to the provisions of Article XI, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Authority Representative and upon compliance with the provisions of said Article XI, shall become fully effective in accordance with its terms as provided in said Article XI 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 XI.

Section 1004. General Provisions. 1. The Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X and Article XI. Nothing contained in this Article X or Article XI 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 704 or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which elsewhere in the Resolution it is provided shall be delivered to said Fiduciary.

2. Any Supplemental Resolution referred to and permitted or authorized by Sections 1001 and 1002 may be adopted by the Authority without the consent of any of the Noteholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Resolution when filed with the Trustee shall be accompanied by an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally.

3. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Section 1001, 1002 or 1003 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of Bond Counsel that such Supplemental Resolution is authorized or permitted by the provisions of the Resolution.

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

ARTICLE XI

AMENDMENTS

Section 1101. Mailing and Publication. 1. Any provision in this Article for the mailing of a notice or other paper to Noteholders shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of Notes then Outstanding at his address, if any, appearing upon the registry books of the Authority, and (ii) to the Trustee. If the Notes are rated by Moody's Investors Service Inc. and/or by Standard & Poor's Ratings Services and/or by Fitch, Inc., then the Authority shall give notice to the rating agency or agencies that rated the Notes of any material amendments to the Resolution.

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

Section 1102. Powers of Amendment. Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Notes thereunder, in any particular, may be made by a Supplemental Resolution with the written consent, given as provided in Section 1103, of the Holders of at least a majority in principal amount of the Notes 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 Notes of any specified maturity remain Outstanding, the consent of the Holders of such Notes shall not be required and such Notes shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Notes under this Section. No such modification or amendment shall permit a change in the terms of redemption (including Sinking Fund Installments) or maturity of the principal of any Outstanding Note or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Note, or shall reduce the percentages or otherwise affect the classes of Notes 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, Notes of any particular maturity would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Notes.

Section 1103. Consent of Noteholders. The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 1102 to take effect when and as provided in this Section 1103. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Noteholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to Noteholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section 1103 provided). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Notes specified in Section 1102 and (b) an opinion of Bond Counsel stating that

such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally, and (ii) a notice shall have been given as hereinafter in this Section 1103 provided. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Notes with respect to which such consent is given, which proof shall be such as is permitted by Section 1203. 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 1203 shall be conclusive that the consents have been given by the Holders of the Notes described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Notes giving such consent and, anything in Section 1203 to the contrary notwithstanding, upon any subsequent Holder of such Notes and of any Notes 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 Notes 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 1103 provided for is filed, such revocation and, if such Notes are transferable by delivery, proof that such Notes are held by the signer of such revocation in the manner permitted by Section 1203 hereof. 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 Notes shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority a written statement that the Holders of such required percentages of Notes have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Notes and will be effective as provided in this Section 1103, may be given to Noteholders by the Authority by mailing such notice to Noteholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 1103 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 1103 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Holders of all Notes at the expiration of forty (40) days after the filing with the Trustee of the proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that any Fiduciary and the Authority during such forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

Section 1104. Modifications by Unanimous Consent. The terms and provisions of the Resolution and the rights and obligations of the Authority and of the Holders of the Notes thereunder may be modified or amended in any respect upon the adoption and filing by the

Authority of a Supplemental Resolution and the consent of the Holders of all of the Notes then Outstanding, such consent to be given as provided in Section 1103 except that no notice to Noteholders 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 in addition to the consent of the Noteholders.

Section 1105. Exclusion of Notes. Notes 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 Notes provided for in this Article XI, and the Authority shall not be entitled with respect to such Notes to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the Authority shall furnish the Trustee a certificate of an Authorized Authority Representative, upon which the Trustee may rely, describing all Notes so to be excluded.

Section 1106. Notation on Notes. Notes authenticated and delivered after the effective date of any action taken as in Article X or this Article XI provided may, and, if the Trustee so determines, 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 Note Outstanding at such effective date and presentation of his Note for the purpose at the principal corporate trust office of the Trustee or upon any transfer or exchange of any Note Outstanding at such effective date, suitable notation shall be made on such Note or upon any Note 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 Notes 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 Note then Outstanding shall be exchanged, without cost to such Noteholder, for Notes of the same maturity then Outstanding, upon surrender of such Notes.

ARTICLE XII

MISCELLANEOUS

Section 1201. 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 the Holders of all Notes the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Notes and in the Resolution, then the pledge of the Pledged Property, any Revenues, and other moneys and securities pledged under the Resolution and all covenants, agreements and other obligations of the Authority to the Noteholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Authority to be prepared and filed with the Authority and, upon the request of the Authority, 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 the Pledged Property, including all moneys or securities held by them pursuant to the Resolution which are not required for the payment of principal and interest or Redemption Price, if applicable, on Notes 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 Notes of a particular maturity or particular Notes within a maturity, the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, such Notes shall cease to be entitled to any lien, benefit or security under the Resolution, and all covenants, agreements and obligations of the Authority to the Holders of such Notes shall thereupon cease, terminate and become void and be discharged and satisfied.

2. Notes or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the 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. Subject to the provisions of subsection 3 of this Section, any Outstanding Notes 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 if (a) in case any of said Notes are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee instructions accepted in writing by the Trustee to mail as provided in Article IV notice of redemption of such Notes (other than Notes 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, (b) there shall have been deposited with the Trustee either moneys (including moneys withdrawn and deposited pursuant to subsection 4 of Section 503) in an amount which shall be sufficient, or Defeasance Obligations 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, if applicable, and interest due and to become due on said Notes on or prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Notes 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 instructions to mail a notice to the Holders of such Notes that the deposit required by (b) above has been made with the Trustee and that said Notes are deemed to have been paid in accordance with this Section 1201 and stating such maturity or redemption date or manner of determining such maturity or redemption date or period during which a maturity or redemption date may be chosen and the manner in which such date shall be chosen, upon which moneys are expected to be available for the payment of the principal or Redemption Price, if applicable, on said Notes (other than Notes 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 the notice of redemption referred to in clause (a) hereof). Any notice of redemption mailed pursuant to the preceding sentence with respect to Notes which constitute less than all of the Outstanding Notes of any maturity shall specify the letter and number or other distinguishing mark of each such Note. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to this Section 1201 to the retirement of said Notes in amounts equal to the unsatisfied balances (determined as provided in Section 507) of any Sinking Fund Installments with respect to such Notes, all in the manner provided in the Resolution. The Trustee shall, if so directed by the Authority (i) prior to the maturity date of Notes deemed to have been paid in accordance with this Section 1201 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) above with respect to any Notes deemed to have been paid in accordance with this Section 1201 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Notes and redeem or sell Defeasance Obligations so deposited with the Trustee and apply the proceeds thereof to the purchase of such Notes and the Trustee shall immediately thereafter cancel all such Notes so purchased; provided, however, that the moneys and Defeasance Obligations remaining on deposit with the Trustee after the purchase and cancellation of such Notes shall be sufficient to pay when due the Principal Installment or Redemption Price, if applicable, and interest due or to become due on all Notes, in respect of which such moneys and Defeasance Obligations 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 (i) prior to the maturity date of Notes deemed to have been paid in accordance with this Section 1201 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) with respect to any Notes deemed to have been paid in accordance with this Section 1201 which are to be redeemed on any date prior to their maturity, the Authority shall purchase or otherwise acquire any such Notes and deliver such Notes to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Notes so delivered; such delivery of Notes to the Trustee shall be accompanied by directions from the Authority to the Trustee as to the manner in which such Notes are to be applied against the obligation of the Trustee to pay or redeem Notes deemed paid in accordance with this Section 1201. The directions given by the Authority to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Notes so purchased or delivered and cancelled to be applied against the obligation of the Trustee to pay Notes deemed paid in accordance with this Section 1201 upon their maturity date or dates and the portion, if any, of such Notes so purchased or delivered and cancelled to be applied against the obligation of the Trustee to redeem Notes deemed paid in accordance with this Section 1201 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 Notes as provided in

this Section 1201 the total amount of moneys and Defeasance Obligations remaining on deposit with the Trustee under this Section 1201 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Notes in order to satisfy subclause (b) of this subsection 2 of Section 1201, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, pledge or assignment securing said Notes or otherwise existing under this Resolution. Except as otherwise provided in this subsection 2 of Section 1201 and in subsection 3 of this Section 1201, neither Defeasance Obligations nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Notes; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien or pledge securing said Notes or otherwise existing under the Resolution, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations, maturing at times and in amounts sufficient (as verified by an independent certified public accountant) to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Notes on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing said Notes or otherwise existing under the Resolution.

3. 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 Notes 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 Notes deemed to have been paid in accordance with this Section 1201 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption.

4. If the Notes are rated by Moody's Investors Service, Inc. and/or by Standard & Poor's Ratings Services and/or by Fitch, Inc., then the Authority shall give notice to the rating agency or agencies that rated the Notes of any defeasance of all or any of the Notes.

Section 1202. Unclaimed Funds. Anything in the Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Notes which remain unclaimed for two years after the date when such Notes have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Notes became due and payable, shall, at the written request of the Authority, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Noteholders shall look only to the Authority for the payment of such Notes; provided, however, that before being required to make any such payment to the Authority the Fiduciary shall, at the expense of the Authority, cause to be published at least twice, at an interval of not less than seven 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 Authority.

Section 1203. Evidence of Signatures of Noteholders and Ownership of Notes. 1.

Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Noteholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Noteholders 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 Notes shall be sufficient for any purpose of the Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Noteholder 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 Notes transferable by delivery held by any person executing any instrument as a Noteholder, the date of his holding such Notes, 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 Notes 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 Notes 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 Notes transferable by delivery.

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

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

Section 1204. Moneys Held for Particular Notes. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Notes 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 Notes entitled thereto.

Section 1205. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, any other Fiduciary and any Noteholder and their agents and their representatives, any of whom may make copies thereof.

Section 1206. Parties Interested Herein. Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Authority, the Fiduciaries and the Holders of the Notes, any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in the Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Fiduciaries and the Holders of the Notes.

Section 1207. No Recourse on the Notes. No recourse shall be had for the payment of the principal of or interest on the Notes or for any claim based thereon or on the Resolution against any member or officer of the Authority or any person executing the Notes.

Section 1208. Publication of Notice; Suspension of Publication. 1. Any publication to be made under the provisions of the Resolution in successive weeks or on successive dates may be made in each instance upon any business day of the week and need not be made in the same Authorized Newspaper for any or all of the successive publications but may be made in a different Authorized Newspaper.

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

Section 1209. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in the Resolution on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of the Resolution.

Section 1210. 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 the Resolution, shall be a legal holiday or a day on which banking institutions in the municipality in which is located the principal office of the Trustee or the

operational office of the Authority 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 the Resolution, and no interest shall accrue for the period after such nominal date.

Section 1211. Notices. All notices, demands or other communications provided for in this Resolution shall be in writing and shall be delivered personally, or sent by certified or registered mail, to (i) the Authority at the Totowa Business Center, 930 Riverview Drive, Suite 250, Totowa, New Jersey 07512, Attn: Executive Director, (ii) the County at the Administration Building, 401 Grand Street, Paterson, New Jersey 07505, Attn: Director of Finance, and (iii) the Trustee at the address provided by the Trustee to the Authority upon its appointment at its notice address, or to such other representatives or addresses as the Authority, the County or the Trustee may from time to time designate by written notice to the parties hereto or beneficiaries hereof.

Section 1212. Return of Borrower Notes. Upon the payment in full of all Notes issued hereunder in accordance with Section 1201, the Borrower Note shall be returned by the Trustee to the Borrower.

ARTICLE XIII

LOANS

Section 1301. Closing Procedure. Upon receipt by the Trustee of the Borrower Note payable to the Authority (duly endorsed to the Trustee) and copies of the documents enumerated in the Note Purchase Agreement executed by the Borrower, the Trustee shall disburse from the Loan Fund to the Borrower the amount of the Loan.

Section 1302. Loan Defaults. The Trustee shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, the Borrower Note, including the prompt payment of all Loan Repayments. The Trustee shall not, except pursuant to Section 1303, release the obligations of the Borrower under its Borrower Note and shall at all times, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of the Authority and of the Holders of the Notes under or with respect to the Borrower Note, provided that this provision shall not be construed to prevent the Trustee from settling a default on the Borrower Note on such terms as the Trustee shall determine to be in the best interests of the Notes. The Authority shall promptly advise the Trustee of any default of which it is aware under the Borrower Note.

Section 1303. Payment or Prepayment of Borrower Note. 1. Upon the payment of all sums due and to become due pursuant to the Note Purchase Agreement and on the Borrower Note or the prepayment of the Borrower Note in full by the Borrower, the Trustee (after 123 days have elapsed during which no Act of Bankruptcy shall have occurred with respect to the Borrower) shall cancel the Borrower Note on behalf of the Authority and deliver it to the Borrower and shall take any other reasonable action required of the Authority or the Trustee and shall execute in its own name or in the Authority's name all relevant documents in connection with such actions and the Trustee is hereby appointed the Authority's agent and attorney-in-fact for purposes of taking any act, including the execution and delivery of any document, required by this Section, all at the expense of the Borrower.

2. The Borrower may elect to prepay the Borrower Note in whole or in part upon not less than 55 days prior written notice to the Authority; provided, however, that no such election to prepay the Borrower Note shall take effect until the Authority shall have given written notice to the Trustee, as provided in Section 402 hereof, of its election or direction to redeem Notes in an aggregate principal amount at least equal to the aggregate principal amount of the Borrower Note to be prepaid. Such notice shall specify the prepayment date. The Borrower shall pay a prepayment price on the specified prepayment date equal to the sum of (a) the amount of Loan Repayments due on such date, if any, (b) the amount of any past-due Loan Repayments, if any, (c) the unmatured principal amount of the Borrower Notes being redeemed, (d) an amount equal to interest which would have been payable on the Borrower Note being prepaid for the period from the date of such prepayment to the redemption date of the Notes, and (e) the redemption premium, if any, payable on the Notes on the date on which Notes will be redeemed by the Authority with the proceeds of the Borrower's prepayment.

3. Upon the prepayment, in whole or in part, of the Loan, the Authority shall apply such prepayment proceeds to the redemption of Notes on the next succeeding call date in accordance with Article IV. The Authority shall deliver to the Trustee a written notice specifying the maturities and the principal amounts of each such maturity of the Notes to be redeemed by the Trustee, together with (i) (a) with respect to a partial prepayment, an Accountant's Certificate demonstrating that the aggregate Loan Repayments due pursuant to the Borrower Note after such prepayment shall be sufficient to pay when due the principal of and interest on all Notes Outstanding after giving effect to the Authority's election required in the immediately preceding sentence, or (b) with respect to a prepayment in whole, an Accountant's Certificate demonstrating that the proceeds of such prepayment shall be sufficient to pay when due the principal of and interest on all Notes Outstanding after giving effect to the Authority's election required in the immediately preceding sentence, and (ii) irrevocable instructions to effectuate such election regarding the application of prepayment proceeds.

ARTICLE XIV

NOTE FORMS AND EFFECTIVE DATE

Section 1401. Form of Notes. Subject to the provisions of the Resolution, the forms of the Notes shall be substantially as follows:

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSONS IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC") AND NOTWITHSTANDING ANY OTHER PROVISION OF THE RESOLUTION TO THE CONTRARY, A PORTION OF THE PRINCIPAL AMOUNT OF THIS NOTE MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC AS OWNER OF THIS NOTE MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE RESOLUTION AND INDICATED ON THE BOOKS OF THE TRUSTEE.

No. R-

\$

UNITED STATES OF AMERICA

STATE OF NEW JERSEY

THE PASSAIC COUNTY IMPROVEMENT AUTHORITY

Governmental Loan Revenue Bond Anticipation Note, Series 2018
(Passaic County Guaranteed) (City of Paterson Project)

INTEREST
RATE:

AUTHENTICATION
DATE:

DATED
DATE:

MATURITY
DATE:

CUSIP: _____, _____
Registered Owner: CEDE & CO.

Principal Sum: _____ Dollars (\$____)

The PASSAIC COUNTY IMPROVEMENT AUTHORITY (the "Authority"), a body corporate and politic organized and existing under the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey, as amended and supplemented (the "Act"), for value received, hereby promises to pay to the Registered Owner stated hereon, or registered assigns, but only out of the sources hereinafter mentioned, on the MATURITY DATE shown above, unless this Note shall have been called for redemption in whole or in part and payment of the redemption price shall have been duly made or provided for, upon presentation and surrender hereof, at the corporate trust office of _____, _____, New Jersey (the "Paying Agent"), the Principal Sum stated hereon and to pay, but only out of the sources hereinafter mentioned, interest on such principal sum on each February 1 and August 1, commencing _____ 1, 201__, from the date hereof until payment of said principal sum has been made or provided for, at the Interest Rate stated hereon to the registered owner hereof as of the Record Date (as such term is defined in the Resolution) and shall be paid by check or draft mailed on the interest payment date to such registered owner at his or her address as it appears on the registration books of the Authority kept at the principal office of _____, _____, New Jersey (the "Note Registrar").

Copies of the Resolution are on file at the office of the Authority and at the principal corporate trust office of _____, _____, New Jersey, as Trustee under the Resolution, or its successor (the "Trustee"), and reference to the Act and to the Resolution (hereinafter defined) and any and all modifications and amendments thereof is made for a description of the pledge securing the Notes, the nature, extent and manner of enforcement of such pledge, the rights and remedies of Noteholders with respect thereto and the terms and conditions upon which the Notes are issued and may be issued thereunder.

This note is one of a duly authorized issue of notes of the Authority designated as its "Governmental Loan Revenue Bond Anticipation Notes, Series 201__ (Passaic County Guaranteed) (City of Paterson Project)," in the aggregate principal amount of \$_____ issued pursuant to the Act and under and pursuant to a resolution of the Authority adopted December __, 2018, entitled "2018 Governmental Loan Revenue Note Resolution (City of Paterson Project)" (the "Resolution").

Terms used herein and not otherwise defined shall have the meaning given to such terms in the Resolution.

The Notes are payable solely from and secured by a pledge of the Revenues as defined in the Resolution, proceeds of Notes held or set aside under the Resolution, and the funds and accounts established under the Resolution.

The Notes maturing on or after _____ 1, 201__ are subject to redemption prior to maturity, upon giving notice as hereinafter provided, (1) by operation of the Debt Service Fund established under the Resolution to satisfy sinking fund installments, at any time on and after _____ 1, 20__, at the principal amount thereof together with accrued interest to the redemption date, and (2) otherwise, on and after _____ 1, 20__, as a whole at any time, or in part, by lot

within a maturity from maturities selected by the Authority, on any interest payment date, at the respective redemption prices (expressed as percentages of the principal amount of the Notes or portions thereof to be redeemed) set forth below, in each case together with accrued interest to the redemption date:

<u>Period During Which Redeemed</u> <u>(Both Dates Inclusive)</u>	<u>Redemption</u> <u>Prices</u>
_____, ____ to _____, _____	%
_____, ____ to _____, ____	
_____, ____ to _____, ____	
_____, ____ to _____, ____	
_____, ____ and thereafter prior to maturity	

The Notes are payable upon redemption at the above mentioned office of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be mailed by the Trustee, postage prepaid, not less than thirty (30) days prior to the redemption date, to the registered owners of any Notes or portions of Notes which are to be redeemed, at their last addresses, if any, appearing upon the registry books, all in the manner and upon the terms and conditions set forth in the Resolution. If notice of redemption shall have been mailed as aforesaid, the Notes or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the redemption date, moneys for the redemption of all the Notes and portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Notes or portions thereof so called for redemption shall cease to accrue and be payable. Failure of the registered owner of any Notes which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of Notes.

This Note is transferable, as provided in the Resolution, only upon the books of the Authority kept for that purpose at the office of the Note Registrar by the registered owner hereof in person, or by his or her duly authorized attorney, upon surrender with a written instrument of transfer satisfactory to the Note Registrar duly executed by the registered owner or his or her duly authorized attorney, and thereupon a new registered Note or Notes, in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Authority, the Trustee, the Note Registrar, and any Paying Agent may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Note Resolution, or any resolution amendatory thereof or supplemental thereto, may be modified or amended by the Trustee, with the written consent of the holders of at least a majority in principal amount of the Notes Outstanding under the Resolution at the time such consent is given, and, in case less than all of the several series of Notes then Outstanding are affected

thereby, with such consent of at least a majority in principal amount of the Notes of each series so affected and Outstanding; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any Notes of any specified like maturity remain Outstanding under the Resolution, the consent of the holders of such Notes shall not be required and such Notes shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Notes. No such modification or amendment shall permit a change in the terms of redemption (including sinking fund installments) or maturity of the principal of any Outstanding Note or of any installment of interest thereon or a reduction in the principal amount or Redemption Price thereof or in the rate of interest thereon without the consent of the holder of such Note, or shall reduce the percentages or otherwise affect the classes of Notes 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 the Trustee or of the Paying Agent without its written assent thereto.

The Notes shall not be deemed to constitute a debt or liability of the State of New Jersey or of any political subdivision thereof, except the Authority, but solely to the extent of the Pledged Property and other than the County to the extent of the County Guaranty, or a pledge of the faith and credit of the State or any such political subdivision except the Authority, but solely to the extent of the Pledged Property and other than the County to the extent of the County Guaranty, and neither the State nor any such political subdivision thereof, except the Authority, but solely to the extent of the Pledged Property and other than the County to the extent of the County Guaranty, is obligated to pay the Notes or interest thereon, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof except the Authority, but solely to the extent of the Pledged Property and other than the County to the extent of the County Guaranty, is pledged to the payment of the principal of or interest on the Notes.

The Act provides that neither the members of the Authority nor any person executing the Notes shall be liable personally on the Notes by reason of the issuance thereof.

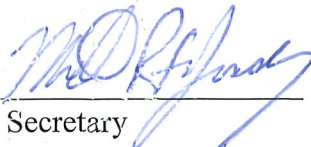
This Note is not to be entitled to any benefits under the Resolution or be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by the manual signature of the Trustee or the Note Registrar.

IN WITNESS WHEREOF, THE PASSAIC COUNTY IMPROVEMENT AUTHORITY has caused this Note to be executed in its name by the manual or facsimile signature of its Chairperson and its corporate seal to be imprinted hereon and attested by the manual or facsimile signature of its Secretary, all as of the Original Issue Date.

[Authority Seal]

THE PASSAIC COUNTY IMPROVEMENT
AUTHORITY

Attest:


Secretary

By _____
Chairperson

(ASSIGNMENT PROVISIONS ON SERIES 2018 NOTES)

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

I.D. Number (Please Print or Type Name and Address of Assignee)

the within Note and irrevocably appoints _____, as attorney, to transfer said Note on the registration books of the Authority, with power of substitution and revocation.

Dated:

Signature Guarantee:

NOTICE: The signature of this assignment must correspond with the name as it appears on the face of the within Note in every particular.

Section 1402. Form of Certificate of Authentication of Trustee or Note Registrar. The form of Certificate of Authentication by the Trustee on the Notes shall be substantially as follows:

CERTIFICATE OF AUTHENTICATION

This Note is one of the issue of Governmental Loan Revenue Bond Anticipation Notes, Series 2018 (Passaic County Guaranteed) (City of Paterson Project) delivered pursuant to the within mentioned Resolution.

The Bank of New York Mellon, as
Trustee

By _____
Authorized Signature

Section 1403. Form of County Guaranty. The form of County Guaranty shall be substantially as follows:

GUARANTY BY THE COUNTY OF PASSAIC, NEW JERSEY

The payment of the principal of and the interest on the within Note according to its terms is hereby fully and unconditionally guaranteed by the County of Passaic, New Jersey for as long as such Note is outstanding under The Passaic County Improvement Authority's 2018 Governmental Loan Revenue Note Resolution (City of Paterson Project).

IN WITNESS WHEREOF, the County of Passaic, New Jersey, has caused this guaranty to be executed by the signature of its Director of Finance.

Director of Finance

Section 1404. Effective Date. This Resolution shall take effect immediately upon its adoption in accordance with the Act.

RESOLUTION NO. 18-029

A RESOLUTION OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTRACT OF PURCHASE, COUNTY GUARANTY AGREEMENT, NOTE PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT, ALL IN CONNECTION WITH THE ISSUANCE AND SALE OF THE AUTHORITY'S GOVERNMENTAL LOAN REVENUE BOND ANTICIPATION NOTES, SERIES 2018 (PASSAIC COUNTY GUARANTEED) (CITY OF PATERSON PROJECT), APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT, APPROVING THE DISTRIBUTION THEREOF AND FURTHER AUTHORIZING THE EXECUTION OF A FINAL OFFICIAL STATEMENT IN CONNECTION THEREWITH; APPOINTING A TRUSTEE, NOTE REGISTRAR AND PAYING AGENT; AND AUTHORIZING THE AUTHORIZED OFFICERS OF THE AUTHORITY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SUCH NOTES.

Motion made by:

WHEREAS, The Passaic County Improvement Authority (the "Authority") is authorized to issue its bonds pursuant to the provisions of the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State of New Jersey, as amended and supplemented, and other applicable provisions of law; and

WHEREAS, the Authority adopted its 2018 Governmental Loan Revenue Note Resolution (City of Paterson Project) on July 11, 2018 (the "Note Resolution"), authorizing the issuance of not to exceed \$15,615,000 aggregate principal amount of its Governmental Loan Revenue Bond Anticipation Notes, Series 2018 (Passaic County Guaranteed) (City of Paterson Project) (the "Notes"); and

WHEREAS, the payment of principal of and interest when due on the Notes will be guaranteed by the County of Passaic (the "County") pursuant to a County Guaranty Agreement; and

WHEREAS, the Authority is now desirous of authorizing the sale of the Notes in the aggregate principal amount of not to exceed \$15,615,000; and

WHEREAS, there have been prepared and submitted to the Authority forms of:

(a) a draft Preliminary Official Statement relating to the Notes (the "Preliminary Official Statement"), attached hereto as Exhibit A, to be used in connection with the marketing of the Notes;

(b) the Contract of Purchase (the "Contract of Purchase"), attached hereto as Exhibit B, providing the determination of certain terms of the Notes and for the sale of

the Notes to Powell Capital Markets, Inc. (the “Underwriter”);

(c) the form of Guaranty Agreement by and among the Authority, The Bank of New York Mellon and the County (the “County Guaranty Agreement”), attached hereto as Exhibit C, providing for the guaranty of the payment of the principal of and interest on the Notes when due by the County;

(d) the form of Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), attached hereto as Exhibit D, to be used to demonstrate compliance with Rule 15c2-12 of the Securities and Exchange Commission;

(e) the form of the Note Purchase Agreement (the “Note Purchase Agreement”), attached hereto as Exhibit E, providing for the purchase by the Authority from the proceeds of its Notes of the Borrower Notes (as defined in the Note Resolution); and

WHEREAS, the Authority is now desirous of appointing the Trustee, Paying Agent and Note Registrar under the Note Resolution for the Notes;

NOW, THEREFORE, BE IT RESOLVED BY THE PASSAIC COUNTY IMPROVEMENT AUTHORITY, AS FOLLOWS:

SECTION 1. That the Contract of Purchase, in substantially the form presented to this meeting, be and the same is hereby approved, and the Notes shall be sold to the Underwriter at a purchase price of not less than ninety-seven percent (97%) of the aggregate principal amount of the Notes, which Notes shall mature, bear interest at the rates not to exceed five percent (5%) per annum and be subject to redemption as shall be set forth in Exhibit I to the Contract of Purchase. The Underwriter shall receive an underwriting fee of not in excess of \$1.50 per \$1,000 principal amount of Notes issued, exclusive of the Underwriter counsel fee. The Chairman, Vice Chairman and Executive Director (the “Authorized Officers”) of the Authority are each hereby authorized and directed, upon the finalization of such terms in accordance with the parameters established in the Note Resolution, to approve such terms and to execute the Contract of Purchase, with such additions, deletions or modifications as such Authorized Officer shall approve, and to deliver the same to the Underwriter, such approval to be conclusively evidenced by the execution and delivery thereof by either of the Authorized Officers; provided, however, that the authority to execute the Contract of Purchase as set forth herein shall only be effective until 5:00 p.m., New York time, on November 30, 2018.

SECTION 2. That the draft Preliminary Official Statement, in the form presented to this meeting, be and the same is hereby approved. The distribution and use of the Preliminary Official Statement in connection with the marketing of the Notes is hereby approved. The Underwriter is hereby authorized and directed to prepare a final Official Statement relating to the Notes with such changes, insertions and omissions to the Preliminary Official Statement as may be approved by an Authorized Officer.

SECTION 3. That the County Guaranty Agreement, in substantially the form presented to this meeting, be and the same are hereby approved, and an Authorized Officer is

hereby authorized and directed to enter into the County Guaranty Agreement, with such additions, deletions or modifications as such Authorized Officer shall approve, and thereupon to cause the County Guaranty Agreement to be delivered to the County, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. That the Continuing Disclosure Agreement, in substantially the form presented to this meeting, be and the same is hereby approved, and an Authorized Officer is hereby authorized and directed, upon the finalization of the terms therein, to approve such terms and to execute the Continuing Disclosure Agreement, with such additions, deletions or modifications thereto as such Authorized Officer shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

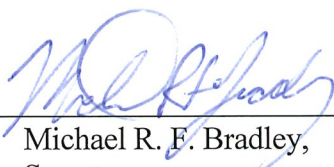
SECTION 5. The Bank of New York Mellon, Woodland Park, New Jersey, is hereby appointed to act as Trustee, Paying Agent and Note Registrar under the Note Resolution.

SECTION 6. That any Authorized Officer, the Secretary of the Authority and any other representative or agent of the Authority are hereby authorized and directed to execute and deliver any and all documents and instruments, and to do and cause to be done any and all acts and things necessary or proper for carrying out the sale, issuance and delivery of the Notes and all related transactions contemplated by this resolution.

SECTION 7. All resolutions or proceedings, or parts thereof, in conflict with the provisions of this resolution are to the extent of such conflict hereby repealed.

SECTION 8. This resolution shall become effective in accordance with applicable law.

I hereby certify the foregoing to be a true copy of a resolution adopted by the Passaic County Improvement Authority at a meeting held on July 11, 2018.



 Michael R. F. Bradley,
 Secretary

<u>Recorded Vote:</u>	<u>Aye</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Wayne Alston	✓			
Michael Bradley	✓			
Ronda Casson Cotroneo				✓
Joseph Petriello, Vice Chairman	✓			
Dennis Marco, Chairman	✓			

R-030

**RESOLUTION OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY
APPOINTING CERTAIN PROFESSIONALS AND AUTHORIZING CERTAIN
FEES IN CONNECTION WITH THE ISSUANCE AND SALE OF THE
AUTHORITY'S GOVERNMENTAL LOAN REVENUE BOND ANTICIPATION
NOTES, SERIES 2018 (PASSAIC COUNTY GUARANTEED) (CITY OF
PATERSON PROJECT), IN AN AGGREGATE AMOUNT NOT TO EXCEED
\$15,615,000**

WHEREAS, a regular meeting of the Passaic County Improvement Authority (the "Authority") was held on July 11, 2018; and

WHEREAS, the City of Paterson (the "Borrower") is a political subdivision of the State; and

WHEREAS, Borrower desires to finance bond anticipation notes through the Authority (the "Project");

WHEREAS, in furtherance of the purposes of the Act and as an inducement to the Borrower to finance costs of issuance in connection with the Bonds described herein (collectively, the "Project"), the Authority desires to assist the Borrower in the financing of the Project;

WHEREAS, the County Improvement Authorities Law, N.J.S.A. 40:37A-44 et seq. provides that the Authority shall have the power to borrow money and issue its bonds and to provide for the rights of the holders of its bonds;

WHEREAS, the Authority proposes to issue one or more series of bonds in an aggregate principal amount not to exceed \$15,615,000 (the "Bonds") and to apply the proceeds of the Bonds to make a loan to the Borrower for the financing of the Project;

WHEREAS, the Authority will require the provision of certain professional services and will incur certain expenses with reference to the proposed project financing in conjunction with the Project;

WHEREAS, the award and approval of professional services and expenses in connection with the Project are exempt from the public bidding requirements of the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq.;

WHEREAS, the Authority has determined that the process it has used to award the contracts necessary for this Series 2016 Project is a "fair and open" process, pursuant to N.J.S.A. 19:44A-20.7; and

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE MEMBERS OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY AS FOLLOWS:

Section 1. The Authority does hereby, as applicable, award, approve, and authorize payment for the following to render professional services and/or provide services in connection with the Project or to the Authority in conjunction with the Project, such payments specifically subject to final approval of the Project by the Authority:

AWARDED AND APPROVED TO	DESCRIPTION OF SERVICES	AMOUNT NOT TO EXCEED
Gibbons, P.C.	Bond Counsel to the Authority	\$30,000
Law Offices of Peter A. Tucci, Jr., LLC	General Counsel to the Authority	\$5,000
NW Financial Group, LLC	Financial Advisor to the Authority	\$15,615
Powel Capital Markets, Inc.	Underwriters	\$23,422
McManimon, Scotland & Baumann, LLC	Underwriters' Counsel	\$7,500
Bank of New York Mellon	Trustee	\$3,000
Rogut McCarthy LLC	Trustee's Counsel	\$2,500
Royal Printing	Printing Services	\$3,000

Section 2. The fees for the forgoing professionals shall be as set forth in the application to the Local Finance Board for the Project and as approved by the Local Finance Board.

Section 3. The Secretary of the Authority is hereby authorized and directed to have published a brief notice of this award in accordance with the provisions of N.J.S.A. 40A:11-5(1)(a)(i).

Section 4. The funds for the services shall be paid out of the proceeds of the Bonds or other project monies and not from the general budget/operating fund(s) of the Authority.

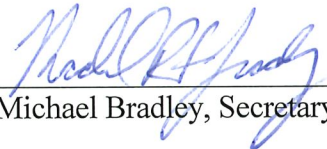
Section 5. The Chairman is authorized and directed to execute any and all documents necessary to effectuate the above.

Section 6. These contracts are awarded without competitive bidding as a "Professional Service" in accordance with N.J.S.A. 40A:11-5(1)(a) of the Local Public Contracts Law because the contract is for a service performed by a person(s) authorized by law to practice a recognized profession that is regulated by law.

Section 7. The Authority has determined that the process it has used to award the contracts in excess of \$17,500 is a "fair and open" process, pursuant to N.J.S.A. 19:44A-20.7

Section 8. This resolution shall take effect immediately.

I hereby certify the foregoing to be a true copy of a resolution adopted by the Passaic County Improvement Authority at a meeting held on July 11, 2018.



Michael Bradley, Secretary

<u>Recorded Vote:</u>	<u>Aye</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Ronda Casson Cotroneo, Esq.				✓
Michael Bradley	✓			
Joseph Petriello	✓			
Wayne Alston, Vice Chairman	✓			
Dennis Marco, Chairman	✓			

**RESOLUTION OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY
APPOINTING CERTAIN PROFESSIONALS AND AUTHORIZING CERTAIN
FEES IN CONNECTION WITH THE AMENDMENT AND RESTATEMENT OF
REVENUE REFUNDING BONDS IN THE ORIGINAL PRINCIPAL AMOUNT
OF \$21,931,500 (YESHIVA KTANA OF PASSAIC – A NEW JERSEY NON-
PROFIT CORPORATION), SERIES 2010 OF THE PASSAIC COUNTY
IMPROVEMENT AUTHORITY**

WHEREAS, a regular meeting of the Passaic County Improvement Authority (the “Authority”) was held on July 11, 2018; and

WHEREAS, The Passaic County Improvement Authority, a public body corporate and politic and a political subdivision of the State of New Jersey ("State"), organized and existing under the Act (as hereinafter defined) and created pursuant to a resolution of the Board of Chosen Freeholders of the County of Passaic, New Jersey ("County") adopted on December 31, 2002, 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 public facilities, as such term is defined therein, within the County of Passaic (the “County”), including financing for the acquisition of same; and

WHEREAS, the Act provides that the Authority may issue bonds in order to provide for the financing and refinancing of facilities within its jurisdiction; and

WHEREAS, the Authority is enabled under the Act to extend credit or make loans for the planning, design, acquisition, construction, improvement, renovation, installation, maintenance and operation of facilities of any corporation that is organized for any purpose under N.J.S.A. 15A:2-1, which credits or loans may be secured by loan and security agreements, mortgages, leases and any other instruments, upon such terms and conditions as the Authority shall deem reasonable; and

WHEREAS, the Act provides that the Authority shall have the power to borrow money and issue its bonds and to provide for the rights of the holders of its bonds; and

WHEREAS, in furtherance of the purposes of the Act and pursuant to N.J.S.A. 40:37A-54(l), and as an inducement to Yeshiva Ktana of Passaic – A New Jersey Non-Profit Corporation (the “Borrower”), a nonprofit corporation, to undertake a project consisting of the (i) refinancing of three existing mortgage loans, (ii) refinancing a \$1.5 million line of credit, (iii) financing all prepayment penalties associated with the refinanced loans, and (iv) paying all costs of issuance associated with the refinancing and issuance and Amended Bonds (the “Project”), the Authority issues its Revenue Refunding Bonds, Series 2010 in the principal of \$21,935,000 (the “Original Bonds”) and secured the Original Bonds by a pledge of moneys to be received by the Authority and assigned certain rights of the Authority with respect to the Project, which pledge and assignment further secured the payment of the principal of and interest on the Original Bonds; and

WHEREAS, the Authority applied the proceeds of the Original Bonds to make a loan to the Borrower for the financing of the Project in accordance with the Bond Agreement dates as of August 1, 2010 by and among the Authority, TD Bank, N.A. (the “Purchaser”) and the Borrower providing, in part, for the payment by the Borrower sufficient to meet installments of interest and principal on the Original Bonds; and

WHEREAS, the Purchaser is the holder of the Original Bonds; and

WHEREAS, the Borrower and the Purchaser have agreed to amend the Original Bonds and make certain other changes associated therewith; and

WHEREAS, the Authority will require the provision of certain professional services and will incur certain expenses with reference to the proposed project financing in conjunction with the Bonds;

WHEREAS, the award and approval of professional services and expenses in connection with the Project are exempt from the public bidding requirements of the Local Public Contracts Law, N.J.S.A. 40A:11-1 et seq.;

WHEREAS, the Authority has determined that the process it has used to award the contracts necessary for the Project is a “fair and open” process, pursuant to N.J.S.A. 19:44A-20.7;

WHEREAS, the Authority desires to award certain contracts for professional services.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE MEMBERS OF THE PASSAIC COUNTY IMPROVEMENT AUTHORITY AS FOLLOWS:

Section 1. The Authority does hereby, as applicable, award, approve, and authorize payment for the following to render professional services and/or provide services in connection with the Project or to the Authority in conjunction with the Project, such payments specifically subject to final approval of the Project by the Authority:

AWARDED AND APPROVED TO	DESCRIPTION OF SERVICES	AMOUNT NOT TO EXCEED
Gibbons, P.C. & Baumann, LLC	Bond Counsel to the Authority	\$20,000
Law Offices of Peter A. Tucci, Jr., LLC	General Counsel to the Authority	\$3,500

NW Financial Group, LLC

Financial Advisor to the
Authority

\$15,000

Section 2. The Secretary of the Authority is hereby authorized and directed to have published a brief notice of this award in accordance with the provisions of N.J.S.A. 40A:11-5(1)(a)(i).

Section 3. The funds for the services shall be paid out of the proceeds of the Bonds or other project monies and not from the general budget/operating fund(s) of the Authority.

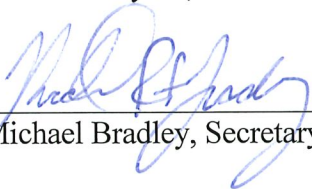
Section 4. The Chairman is authorized and directed to execute any and all documents necessary to effectuate the above.

Section 5. These contracts are awarded without competitive bidding as a "Professional Service" in accordance with N.J.S.A. 40A:11-5(1)(a) of the Local Public Contracts Law because the contract is for a service performed by a person(s) authorized by law to practice a recognized profession that is regulated by law.

Section 6. The Authority has determined that the process it has used to award the contracts in excess of \$17,500 is a "fair and open" process, pursuant to N.J.S.A. 19:44A-20.7.

Section 7. This resolution shall take effect immediately.

I hereby certify the foregoing to be a true copy of a resolution adopted by the Passaic County Improvement Authority at a meeting held on July 11, 2018.



Michael Bradley, Secretary

<u>Recorded Vote:</u>	<u>Aye</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Ronda Casson Cotroneo, Esq.				✓
Michael Bradley	✓			
Joseph Petriello	✓			
Wayne Alston, Vice Chairman	✓			
Dennis Marco, Chairman	✓			

**BOND RESOLUTION OF THE PASSAIC COUNTY
IMPROVEMENT AUTHORITY AUTHORIZING THE
ISSUANCE AND SALE OF UP TO \$12,500,000
AGGREGATE PRINCIPAL AMOUNT OF THE
AUTHORITY'S COUNTY-GUARANTEED LEASE
REVENUE REFUNDING BONDS (PASSAIC COUNTY
COMMUNITY COLLEGE PROJECT), SERIES 2020, IN
ONE OR MORE SERIES, ON A TAX-EXEMPT BASIS;
MAKING CERTAIN DETERMINATIONS AND
APPROVALS WITH RESPECT TO SAID BONDS; AND
AUTHORIZING CERTAIN ACTIONS**

WHEREAS, The Passaic County Improvement Authority, a public body corporate and politic and a political subdivision of the State of New Jersey ("State"), organized and existing under the Act (as hereinafter defined) and created pursuant to a resolution of the Board of Chosen Freeholders of the County of Passaic, New Jersey ("County") adopted on December 31, 2002, 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 public facilities, as such term is defined therein, within the County of Passaic (the "County"), including financing for the acquisition of same; and

WHEREAS, the Authority is authorized by the Act, specifically *N.J.S.A. 40:37A-78*, to enter into and perform any lease or other agreement with a county, municipality, governmental unit or Person for the lease to or use by such county, municipality, governmental unit or person of all or any part of any public facility or facilities; and

WHEREAS, Passaic County Community College (the "College") has requested assistance from the Authority for purposes of entering into a Forward Delivery Purchase transaction in connection with the potential refunding of the New Jersey Educational Facilities Authority Revenue Bonds, Passaic County Community College Issue, Series 2010 C (the "Refunded Bonds") which Refunded Bonds were used to finance the construction of a new three story building having approximately 68,914 square feet for use in connection with the administration and operation of the College (the "Project") on land owned by the College and located on the College's campus in Paterson, New Jersey (the "Refunding Project"); and

WHEREAS, the Authority has offered to provide support and assistance to the College with respect to facilitating the financing of the Refunding Project; and

WHEREAS, in furtherance thereof, the Authority has determined to issue and sell up to \$12,500,000 aggregate principal amount of its County-Guaranteed Lease Revenue Refunding Bonds (Passaic County Community College Project), Series 2020 ("Bonds"); and

WHEREAS, the Authority will grant NW Capital Markets LLC. (the "Underwriter"), pursuant to a forward delivery purchase agreement (the "Purchase Agreement"), a one-time irrevocable option, on a date to be determined (the "Notice Date") to elect to purchase from the Authority, and the Authority hereby agrees to issue and deliver to the Underwriter on a date to be determined (the "Delivery Date") upon the exercise by the Underwriter of such option (the "Purchase Option"), all or a portion of the Bonds for a purchase price equal to either, in the Underwriter's sole discretion, (i) an amount equal to the principal and redemption premium, if any, of the Refunded Bonds due on the redemption date specified by the Underwriter, or (ii) government securities for delivery on the Delivery Date in an amount sufficient so that the principal thereof, and interest thereon, will be sufficient to pay the principal and redemption premium, if any, of the Refunded Bonds on the redemption date specified by the Underwriter (in either instance, and upon the exercise of each option, the "Purchase Price"); and

WHEREAS, in consideration of the Purchase Option, the Purchaser hereby agrees to pay to the College an upfront fee to be set forth in the Purchase Agreement (the "Upfront Fee"), which Upfront Fee shall be net of the payment of all costs incurred in connection with the execution and delivery of the Bonds; and

WHEREAS, the Bonds shall be issued and delivered on the Delivery Date, for the purpose of currently refunding the Refunded Bonds and redeeming such Refunded Bonds on a redemption date or dates to be specified by the Underwriter on the Notice Date; and

WHEREAS, in order to exercise the Purchase Option, the Underwriter shall deliver written notice to the Authority on or prior to any Notice Date, which written notice shall specify (i) the Delivery Date and (ii) the aggregate principal amount of Refunded Bonds to be redeemed and (iii) the date fixed for the redemption of such Refunded Bonds; and

WHEREAS, the Underwriter shall use reasonable efforts to provide the Authority a notice of its intent to deliver such written notice set forth in the preceding sentence at least five (5) business days in advance of providing such written notice; and

WHEREAS, upon the exercise of the Purchase Option by the Underwriter, the Authority will deliver to the Underwriter the aggregate principal amount of the Bonds on the Delivery Date against payment of the Purchase Price therefor, payable in immediately available funds on the Delivery Date; and

WHEREAS, the Authority applied to the Local Finance Board of the State Department of Community Affairs, Division of Local Government Services ("Local Finance Board"), for review of the Refunding Project and the financing thereof with the proceeds of the Bonds and received the requisite approval from the Local Finance Board on July 11, 2018; and

WHEREAS, the Authority will issue the Bonds pursuant to the Act, this Bond Resolution and a Trust Indenture (the "Indenture"), to be entered between the Authority and a banking or trust company having trust powers in the State ("Trustee"); and

WHEREAS, the Bonds will be payable from certain lease payments to be received from the College pursuant to and in accordance with the terms and conditions set forth in a Lease

Agreement between the Authority and the College ("Lease Agreement"); and

WHEREAS, the Bonds will be guaranteed by the County pursuant to a guaranty from the County (the "County Guaranty") and repaid in accordance with a County Guaranty Agreement by and among the Authority, the Trustee and the County (the "County Guaranty Agreement"); and

WHEREAS, to the extent required in connection with the issuance of the Bonds and the Authority's financing of the Refunding Project, the College will also agree to certain tax regulations to maintain the tax exempt status of the interest on the Bonds by the execution and delivery of one or more tax certificates ("Arbitrage Certificate") and;

WHEREAS, the Bonds shall be special, limited obligations of the Authority, payable solely from and secured by its interest in the Pledged Property (as such term shall be defined in the Indenture), which shall include all amounts payable by the College as lease payments pursuant to the Lease Agreement (subject to the rights of the Authority reserved therein), all funds held by the Trustee under the Indenture (except the Rebate Fund) and all income derived from the investment of such funds; and

WHEREAS, pursuant to the Indenture, the Authority will assign (with certain reservations) its rights and benefits under the Lease Agreement to the Trustee as security for the Bonds; and

WHEREAS, it is acknowledged that in the event the Underwriter does not exercise the Purchase Option by or on the last possible Notice Date with respect to all or a portion of the Refunded Bonds, the Bonds shall not be issued; and

WHEREAS, the College, shall pursuant to a resolution authorize and approve, *inter alia*, the issuance of the Bonds and the execution and delivery of the Lease Agreement and the Indenture; and

WHEREAS, the Authority desires, by adoption of this Bond Resolution, to, *inter alia*: (i) authorize and approve the issuance and sale of the Bonds; (ii) prescribe the limits of the amount, maturity and interest rates on the Bonds; (iii) authorize the execution and delivery of the Indenture; (iv) authorize the execution and delivery of the Lease Agreement; (v) delegate to the Executive Director of the Authority the power to determine the time of sale of the Bonds and the final maturity of and interest rate on the Bonds; (vi) approve the forms of the financing documents and other documents and instruments, within the limitations set forth in this Bond Resolution, and (x) make various other determinations and approvals with respect to the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE PASSAIC COUNTY IMPROVEMENT AUTHORITY AND THE MEMBERS THEREOF, AS FOLLOWS:

Section 1. Authorization for the Refunding Project and Bonds. The Authority hereby authorizes the Refunding Project and the execution of the Purchase Agreement and the receipt the Upfront Fee for the benefit of the College and authorizes the issuance and sale of up to \$12,500,000 aggregate principal amount of the Bonds to be designated substantially, "County-

Guaranteed Lease Revenue Refunding Bonds (Passaic County Community College Project), Series 2020", pursuant to this Bond Resolution, the Act and the Indenture. The Bonds may be issued in one or more series as tax-exempt. Such Bonds shall comply with applicable State and federal statutory and regulatory requirements and shall specifically comply with the provisions of the Internal Revenue Code of 1986, as amended ("Code").

Section 2. Form of Bonds. The Bonds shall be dated, shall bear interest and shall be payable as to principal or redemption price of and interest as provided in the Indenture. The Bonds shall be issued in the form, shall mature, shall be subject to redemption prior to maturity and shall have such other details and provisions as are specified in the Indenture and the Bonds with any changes, insertions or omissions that may be approved by the Chairman, Vice-Chairman or Executive Director of the Authority or any other officer of the Authority who shall have the power to execute contracts pursuant to the By-Laws of the Authority and any resolution adopted thereunder (each an "Authorized Officer" and collectively, the "Authorized Officers"), and all of the terms set forth therein are hereby approved and are incorporated as part of this Bond Resolution with the same effect as if the entire text thereof were set forth herein in full.

Section 3. Execution of Bonds. The Bonds are hereby authorized to be issued and to be sold in accordance with and on the terms and subject to the conditions set forth in the Indenture and the Purchase Agreement. The Chairman or Vice-Chairman of the Authority or any other officer of the Authority who shall have power to execute contracts pursuant to the By-Laws of the Authority and any resolution adopted thereunder are hereby authorized to execute (by manual or facsimile signature), acknowledge and deliver the Bonds to the Trustee for authentication, with any changes, insertions and omissions as may be approved by the Chairman or Vice-Chairman of the Authority. The Secretary or Assistant Secretary or any other officer of the Authority who shall have power to do so under the By-Laws of the Authority and any resolution adopted thereunder is hereby authorized to affix the seal of the Authority on the Bonds and attest the same. The execution of the Bonds shall be conclusive evidence of any approval required by this Section 3.

Section 4. No Liability. The Bonds shall be special, limited obligations of the Authority payable solely from the Pledged Property established pursuant to the Indenture, including amounts payable by the College pursuant to the Lease Agreement and out of other revenues pledged by the College pursuant to the terms and provisions of the Indenture and the County pursuant to the County Guaranty. Neither the members of the Authority, nor any person executing the Bonds issued pursuant to this Bond Resolution, the Indenture or the Act, shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not in any way be a debt or liability of the State or any political subdivision thereof other than the Authority (to the limited extent set forth in the Indenture and the Bonds), either legal, moral or otherwise, the College (to the extent set forth in the Lease Agreement) or the County (to the limited extent set forth in the County Guaranty).

Section 5. Authorization of Execution and Delivery of Transaction Documents. The execution and delivery of: (i) the Indenture; (ii) the Lease Agreement; (iii) the Purchase Agreement; (the "County Guaranty Agreement"), (v) the Arbitrage Certificate, if necessary; and (vi) any and all other agreements, contracts, documents, certificates or other materials necessary

or required in connection with the undertaking and completion of the Refunding Project and the issuance and sale of the Bonds (collectively, the "Transaction Documents") are hereby authorized and approved substantially in the forms generally used in transactions of this type, with any changes, insertions or omissions that may be approved by the Authorized Officers, with the advice of the Authority's Bond Counsel, counsel and other professional advisors.

Section 6. Approval of Bond Documents. The Transaction Documents, and any and all other documents required to be executed in connection of the purchase and sale of the Bonds or to further evidence the security interest of the Authority in the project financed by the Refunded Bonds or the revenues pledged for the payment of the Bonds (collectively, the "Bond Documents") are hereby approved substantially in the forms generally used in transactions of this type, with any changes, insertions or omissions that may be approved by the Authorized Officers. The Authorized Officers are each hereby authorized to execute, acknowledge and deliver each of the foregoing Bond Documents with any changes, insertions and omissions as may be approved by an Authorized Officer. The Secretary or Assistant Secretary of the Authority or any other officer of the Authority who shall have the power to do so under the By-Laws of the Authority and any resolution adopted thereunder is hereby authorized to affix the seal of the Authority on each of the foregoing Bond Documents and attest the same. The execution and delivery of each of the foregoing Bond Documents shall be conclusive evidence of any approval required by this Section 6.

Section 7. Sale of Bonds. (a) Pursuant to and in accordance with the provisions of *N.J.S.A. 40:37A-60* and the terms of this Bond Resolution and any resolutions amendatory thereof or supplemental thereto, the Chairman, Vice-Chairman and Executive Director of the Authority are each hereby designated as authorized representatives of the Authority, charged by this Bond Resolution with the responsibility for issuing the Bonds and determining, among other things, the aggregate principal amount of the Bonds to be issued (not to exceed \$12,500,000), the time of sale of the Bonds, the maturity or maturities of such Bonds, the provisions pertaining to redemption thereof and/or sinking funds established therefor, the mode and rate or rates of interest for such Bonds (provided that, without further approval, the Bonds shall initially bear a net interest cost not in excess of six percent (6.00%) per annum in accordance with Section 8 below), and such other terms and conditions as may be necessary or related to the sale of the Bonds to the purchaser(s) thereof, and each of the Chairman, Vice-Chairman and Executive Director is hereby authorized and directed to execute and deliver, on behalf of the Authority, the Purchase Agreement and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Bond Resolution, the Bond Documents, the Transaction Documents and the issuance and sale of the Bonds.

(b) The Authority shall execute and deliver to the Trustee for authentication the Bonds described in Section 7(a) hereof and, thereupon, the Trustee shall authenticate said Bonds and deliver them to or upon the order of the Authority, signed by its Chairman, Vice-Chairman, Executive Director or Secretary, but only upon receipt of the proceeds of said Bonds and of the following:

- (1) A certified copy of this Bond Resolution with respect to the Bonds;

- (2) An executed copy of the Indenture;
- (3) An executed copy of the Lease Agreement;
- (4) An executed copy of the Arbitrage Certificate;
- (5) An executed copy of the County Guaranty Agreement;
- (6) An opinion or opinions of counsel to the effect specified in the Indenture;
- (7) The municipal bond insurance policy with respect to the Bonds (if any);

(8) A closing statement signed by the Chairman, Vice-Chairman or Executive Director of the Authority setting forth: (i) the amount of the proceeds to be received by the Authority from the sale of the Bonds; (ii) the amount to be deposited with the Trustee relating to the accrued interest on the Bonds, if any; (iii) the amount to be deposited with the Trustee for payment of the costs and expenses of the financing; and (iv) and the balance of such proceeds to be deposited with the Trustee/escrow agent to pay for the costs of the Refunding Project ("Closing Statement"); and

(8) Such other documents, moneys and securities as are required to satisfy the requirements of the Indenture, the Lease Agreement, or the Purchase Agreement.

Section 8. Authorization of Negotiated Sale. The Chairman, Vice-Chairman and Executive Director are each hereby authorized to award the Bonds to the Purchaser. Such award shall be evidenced by the execution of the Purchase Agreement. The Purchase Agreement and the Indenture shall determine the terms and conditions relating to the sale of the Bonds, including the rate or rates of interest to be borne by the Bonds and the underwriter's discount, if any, which is payable to the underwriter(s), if any, in connection with the sale of the Bonds and the maturity schedule for the Bonds prepared in connection with the issuance of the Bonds; *provided, however,* that without the further authorization of the Authority, the net interest cost to be borne by the Bonds shall not exceed six and zero hundredths per centum (6.00%) and the underwriter's discount, if any, for the Bonds shall not exceed \$6.00 per \$1,000 principal amount of such Bonds (inclusive of underwriter's counsel); *provided, further, however,* that the aggregate net interest cost on the Bonds and the underwriter's discount, if any, for such Bonds may exceed the amounts which are set forth herein if such greater rate of interest (or net interest cost) or such greater underwriter's discount, if any, is approved, and the maturity schedule may be substantially changed if such change is approved, prior to the award and sale of such Bonds, by a resolution duly adopted by the Authority. The Purchase Agreement shall contain such other terms and conditions as shall be deemed necessary in connection with the sale of the Bonds.

Section 9. Payment of Costs of Issuance. The Executive Director is hereby authorized to approve payment of the costs of issuance of the Bonds from the proceeds of the Bonds.

Section 10. Approval and Appointment of Trustee, Registrar, Paying Agent and

Dissemination Agent. The Executive Director is hereby authorized and directed to select a Trustee, Registrar and Paying Agent for the Bonds to act in accordance with the provisions of the Indenture and as the dissemination agent pursuant to a continuing disclosure agreement, if any is required. The Authority shall deliver the executed Bonds to the Trustee for authentication under the Indenture and, when they have been authenticated, to deliver them or cause them to be delivered pursuant to the Purchase Agreement to the Purchaser, against receipt of the purchase price, plus any accrued interest due, and to deposit the amounts so received as provided in the Indenture and the closing certificates.

Section 11. Preliminary Offering Document. The distribution by the Purchaser of one or more Preliminary Official Statements describing the Bonds (each a "Preliminary Official Statement") is hereby authorized and approved. If necessary, any Authorized Officer of the Authority is hereby authorized to "deem final" each Preliminary Official Statement, as contemplated by paragraph (b)(1) of Rule 15(c)2-12 promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Act of 1934, as amended ("Rule 15c2-12").

Section 12. Final Offering Document. The preparation of one or more final official statements (each an "Official Statement") relating to the Bonds is hereby authorized and directed. Within seven (7) business days of the sale of the Bonds, but in no event later than the settlement thereof, the Authority will deliver or cause to be delivered sufficient copies of the Official Statement in final, printed and electronic form to the Purchaser in order for the same to comply with the rules of the Municipal Securities Rulemaking Board ("MSRB") (including, but not limited to, revised MSRB Rule G-32 (effective June 1, 2009) requiring submissions of official statements to the MSRB through the Electronic Municipal Market Access System (an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, dated December 5, 2008, of the Commission), Rule 15c2-12, and other applicable securities laws, rules or regulations. The Chairman, Vice-Chairman and Executive Director are each hereby authorized to execute the Official Statement in final form and the distribution thereof to purchasers and others is hereby authorized and directed. The execution of the Official Statement by the Chairman, Vice-Chairman or Executive Director shall constitute conclusive evidence of approval by the Authority of the changes therein from the Preliminary Official Statement. The Chairman, Vice-Chairman and Executive Director are each hereby authorized to approve any amendments or supplements to the Official Statement.

Section 13. Further Actions.

(a) The Authorized Officers are each hereby authorized, empowered and directed to do all such acts and things and to execute and deliver any and all such documents and instruments and to do and cause to be done any and all acts and things as may be necessary and proper to carry out and comply with the provisions of this Resolution and to carry out the transactions contemplated by this Bond Resolution, the Indenture, the Lease Agreement, the County Guaranty Agreement, the Preliminary Official Statement, the Official Statement and the Purchase Agreement and for the authorization, sale and issuance of the Bonds. The execution by such Authorized Officers of any such documents with such changes, insertions or omissions as shall be approved by the Authority's Chairman, Vice-Chairman or Executive Director in

consultation with the Authority's Bond Counsel shall be conclusive evidence of the approval of same and no further ratification or other action by the Authority members shall be required with respect thereto.

(b) The Authorized Officers are each hereby authorized to execute the final Official Statement and any closing documents which are required to be executed in connection with the delivery of the Bonds including, without limitation, a Blanket Letter of Representations to The Depository Trust Company (if the Bonds are to be issued in book-entry-only form). The Executive Director or any other Authorized Officer is hereby authorized to execute a commitment for bond insurance for the Bonds with a bond insurance company, provided that it is determined that the premium for the bond insurance will result in positive economic benefit. Any actions which are not determined by this Resolution or any other resolution of the Authority duly adopted prior to the authentication and delivery of the Bonds shall be determined by the Executive Director of the Authority.

Section 14. Federal Tax Covenants. The Authority hereby covenants that:

(a) it will not make any use of the proceeds of the Bonds issued as tax-exempt obligations, if any, or do or suffer any other action or fail to take any action that would cause: (i) the Bonds issued as tax-exempt obligations, if any, to be "arbitrage bonds" as such term is defined in Section 148 of the Code and the regulations promulgated thereunder; or (ii) the interest on the Bonds issued as tax-exempt obligations, if any, to be included in the gross income of the owners thereof for federal income taxation purposes; and

(b) if and to the extent any of the Bonds are issued as tax-exempt obligations, it shall take no action that would cause such Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 15. Severability. The provisions of this Bond Resolution are hereby declared to be separable. If any Section, phrase or provision shall for any reason be declared to be invalid, such declarations shall not affect the validity of the remainder of the Sections, phrases or provisions.

Section 16. Headings for Convenience Only. The descriptive headings herein are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 17. Governing Law. This Bond Resolution shall be governed exclusively by the provisions hereof and by the applicable laws of the State without reference to conflict of law provisions.

Section 18. Notice of Adoption of Bond Resolution. A copy of this Bond Resolution shall be filed for public inspection in the office of the Authority and in the office of the Clerk of the Board of Chosen Freeholders of the County. The appropriate officials of the Authority are hereby authorized and directed to publish, or cause to be published, in a newspaper published or circulating in the County, a notice stating the fact and date of the adoption of this Bond

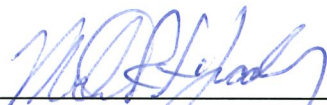
Resolution and the places where this Bond Resolution has been filed for public inspection, and such further information as is required by the Act (*N.J.S.A.* 40:37A-62).

Section 19. Repeals. All resolutions and parts of resolutions, to the extent the same are inconsistent herewith, are hereby rescinded and repealed.

Section 20. Effective Date. This Bond Resolution shall take effect in accordance with the Act, specifically *N.J.S.A.* 40:37A-50(e).

<u>Recorded Vote:</u>	<u>Aye</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Wayne Alston	✓			
Michael Bradley	✓			
Ronda Casson Cotroneo				✓
Joseph Petriello, Vice Chairman	✓			
Dennis Marco, Chairman	recused and left the room			

The foregoing is a true copy of a resolution adopted by the governing body of THE PASSAIC COUNTY IMPROVEMENT AUTHORITY at a meeting thereof duly called and held on July 11, 2018.



Michael R. F. Bradley, Secretary
The Passaic County Improvement Authority

[Seal]