MORRIS COUNTY IMPROVEMENT AUTHORITY

MINUTES of the Board Meeting held on July 20, 2011, at 6:00 p.m.,
Knox Conference Room #525, Morris County
Administration and Records Building, Morristown, New Jersey

At 6:00 p.m., John Bonanni, Chairman to the Morris County Improvement Authority called the meeting to order. The following persons were in attendance:

John Bonanni, Chairman
Frank T. Pinto, Commissioner
Glenn Roe, Commissioner
William Chegwidden, Freeholder Liaison
Stephen B. Pearlman, Esq. - Inglesino, Pearlman, Wyciskala & Taylor LLC
Rich Preiss, Gabel Associates
Jennifer Edwards, Acacia Financial
Doug Bacher, NW Financial Group
Heather Litzebauer, NW Financial Group
Joseph Santaiti, Gabel Associates
Cadence Bowen, Gabel Associates
Wayne Seaton, Wells Fargo
Resident, Borough of Mendham

Commissioner Bonanni asked for the reading of the public statement in accordance with the Open Public Meetings Act which was then read by recording secretary Cynthia Rueter.

Commissioner Bonanni asked for "roll call" for the Authority. Three out of five Commissioners were in attendance, Mr. John Bonanni, Mr. Glenn Roe and Mr. Frank Pinto a quorum was established.

Approval of the June 16, 2011 minutes was considered, Commissioner Pinto made a motion to accept the minutes of the June 16th meeting. Commissioner Roe seconded the motion; all others were in favor to accept the minutes of June 16th.

The public portion of the meeting was opened. – No comment at this time.

Agenda item 6(i) was discussed – Resolution authorizing the issuance of County of Morris Guaranteed Pooled Program Bonds. Commissioner Roe made a motion to adopt this resolution. Commissioner Pinto seconded the motion. Roll was called. The motion carried and Resolution No. 11-26 "RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED POOLED PROGRAM BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" (NO. 11-26) was adopted.

Agenda item 6(ii) was discussed – Resolution authorizing the issuance of Authority Lease Revenue Bonds. Commissioner Roe made a motion to adopt this resolution, Commissioner Pinto seconded the motion. Roll was called. The motion carried and Resolution No. 11-27 "RESOLUTION AUTHORIZING THE ISSUANCE OF AUTHORITY LEASE REVENUE BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" (NO. 11-27) was adopted.

Agenda item 6(iii) was discussed – Resolution appointing an Underwriter in connection with the Authority's Guaranteed Renewable Energy Program Lease Revenue Bonds. Eight responses to the RFP for Underwriter were received and reviewed. Wells Fargo was selected as the lead Underwriter and RBC was selected as the Co-Underwriter for the Phase II Solar Program. Commissioner Roe made a motion to adopt this resolution, Commissioner Pinto seconded the motion. Roll was called. The motion carried and Resolution No. 11-28 "RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY

APPOINTING AN UNDERWRITER IN CONNECTION WITH THE AUTHORITY'S COUNTY OF MORRIS GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE BONDS, SERIES 2011 (FEDERALLY TAXABLE) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $50,000,000" (NO. 11-28) was adopted.

Agenda item 6 (iv) was discussed – Resolution authorizing the preparation and submission of an application to the Local Finance Board in connection with the County of Sussex Renewable Energy Program Lease Revenue Bonds. Commissioner Pinto made a motion to adopt this resolution, Commissioner Roe seconded the motion. Roll was called. The motion carried and Resolution No. 11-29 "RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY 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 SEEKING CERTAIN OFFICIAL ACTIONS OF THE COUNTY OF MORRIS, NEW JERSEY AND THE COUNTY OF SUSSEX, NEW JERSEY, ALL IN CONNECTION WITH THE AUTHORITY'S COUNTY OF SUSSEX GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE BONDS (COUNTY OF SUSSEX PROGRAM), SERIES 2011 (FEDERALLY TAXABLE) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $50,000,000" (NO. 11-29) was adopted.

Agenda item 6 (v) was discussed – Resolution authorizing the Improvement Authority to issue a Request for Proposals in connection with the County of Sussex Renewable Energy Program. Commissioner Pinto made a motion to adopt this resolution, Commissioner Roe seconded the motion. Roll was called. The motion carried and Resolution No. 11-30 RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS PURSUANT TO THE LOCAL PUBLIC CONTRACTS LAW N.J.S.A. 40A:11-4.1(k) IN CONNECTION WITH THE AUTHORITY'S COUNTY OF SUSSEX RENEWABLE ENERGY PROGRAM (NO. 11-30) was adopted.

Agenda item 6 (vi) was discussed – Resolution authorizing the issuance of County of Morris Guaranteed Renewable Energy Program Lease Revenue Notes and Bonds and Additional Bonds. Commissioner Roe made a motion to adopt this resolution, Commissioner Pinto seconded the motion. Roll was called. The motion carried and Resolution No. 11-31 "RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE NOTES AND BONDS, SERIES 2011 AND ADDITIONAL BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" (NO. 11-31) was adopted.

Agenda item 6 (vii) was discussed – Resolution amending the Proposal of Gabel Associates. Commissioner Roe made a motion to adopt this resolution, Commissioner Pinto seconded the motion. Roll was called. The motion carried and Resolution No. 11-32 "RESOLUTION AMENDING THE PROPOSAL OF GABEL ASSOCIATES AUTHORIZED BY A RESOLUTION ENTITLED, "RESOLUTION AMENDING AND RESTATING IN ITS ENTIRETY RESOLUTION 10-42 OF THE AUTHORITY ENTITLED, "RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE IMPLEMENTATION OF AN ENERGY EFFICIENCY PROGRAM" (NO. 11-32) was adopted.

Agenda item 6(viii) was discussed - Resolution approving the payment of bills as listed on the Schedule of Warrants. Commissioner Roe made a motion to adopt this resolution; Commissioner Pinto seconded the motion. Roll was called. The resolution was approved unanimously. The motion carried and Resolution No. 11-33 "Bill List" (NO. 11-33) was adopted.

7a. Discussion: Status of Renewable Energy Program – The Request for Proposals for a Photovoltaic Developer was posted to the Improvement Authority website on July 7, 2011. Proposals are due from Respondents by 1:00 p.m., Eastern Time, September 8, 2011. Approximately 16 companies

attended a Solar Developer Pre-bidders Conference in the Freeholders Public Meeting Room which was held on July 13, 2010.

7b. Outreach meeting re: Tax Levy Cap – Nothing at this time.

7c. CGLP Activity – Acacia issued the CGLP quarterly report.

Jennifer Edwards suggested that a letter be sent out to all municipalities from the Improvement Authority regarding the prospect of a fall pooled bond financing program.

7d. Payment of Bills between Meetings – Nothing at this time

7e. Status of Other Inquiries and potential transactions – The Borough of Chester contacted Jen Edwards indicating they are considering using the Improvement Authority for notes that are coming due by the end of 2011 in the amount of approximately $5 million.

7f. Other items – Joe Santaiti, VP, Gabel Associates provided an update on the ESIP (Energy Savings Improvement Program). Joe was asked (at the June 16th MCIA meeting) to compare the benefits of the ESIP program vs the CGLP for the County Schools and Municipalities. His findings reveal that the schools would benefit more by using the ESIP Program and the Government/Municipalities will benefit more by using the County Guaranteed Leasing Program.

8. Further Official Action – Verbal request for Resolution to select a Trustee for the pooled bond program going through the Improvement Authority for the County/Rockaway/Newton project. Jennifer Edwards solicited through the Request for Proposal process, and got five responses; three were close and two TD bank and Wells Fargo way out of the pricing. The Improvement Authority has used the Bank of NY and US Bank before. Commissioner Roe recommends using US Bank since they have been good in terms of responsiveness and service and prior experience. Commissioner Roe made a motion to adopt this resolution, Commissioner Pinto seconded the motion. Roll was called. The motion carried and Resolution No. 11-34 was adopted.

The July 20, 2011 meeting of the Morris County Improvement Authority was adjourned at 6:45 p.m. All Commissioners were in favor to adjourn the meeting.

Respectfully submitted,

Cynthia Rueter
Recording Secretary

RESOLUTION NO. 11-26

RESOLUTION AUTHORIZING THE ISSUANCE OF

COUNTY OF MORRIS GUARANTEED POOLED PROGRAM BONDS

OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY

Adopted: July 20, 2011
as amended and supplemented by
a Certificate of an Authorized Officer of the Authority
dated _____, 2011,
as amended and supplemented by
a Certificate of an Authorized Officer of the Authority
dated _____, 2012

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RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED AUTHORITY POOLED PROGRAM BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY

WHEREAS, The Morris County Improvement Authority (including any successors and assigns, the "Authority") has been duly created by resolution no. 42 entitled "Resolution of the Board of Chosen Freeholders of Morris County, New Jersey creating the Morris County Improvement Authority" duly adopted by the Board of Chosen Freeholders (the "Morris County Board of Freeholders") of the County of Morris (the "County of Morris") in the State of New Jersey (the "State") on April 10, 2002 as a public body corporate and politic of the State pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act") and other applicable law;

WHEREAS, the Authority is authorized by law, to purchase, lease or otherwise acquire public facilities for the benefit of certain local governmental units located within, without and including the County of Morris;

WHEREAS, the County of Sussex, New Jersey (the “County of Sussex”) does not presently have its own county improvement authority, and therefore the Authority is authorized under the Act to provide the financing for the Town of Newton Project (as defined below) on behalf of the Town of Newton (as defined below);

WHEREAS, the Authority is authorized by law to finance public facilities through the acquisition of debt, including without limitation (i) the general obligation bonds in an aggregate principal amount of approximately $6,000,000 (the "Borough of Rockaway Bond") of the Borough of Rockaway, in the County of Morris (the "Borough of Rockaway"), (ii) the general obligation bonds in a not exceed aggregate principal amount of approximately $7,700,000 (the “Town of Newton Bonds”) of the Town of Newton (the “Town of Newton” and together with the County of Morris and the Borough of Rockaway, the “Local Units”), in the County of Sussex and (iii) bonds of the Authority;

WHEREAS, pursuant to the terms hereof and of the Act, the Authority intends to finance the acquisition and installation of certain capital equipment and the acquisition, construction, renovation and installation of certain property and infrastructure improvements (collectively, the "County of Morris Project") as set forth on Exhibit A to the Property and Infrastructure Lease Purchase Agreement (including a Ground Lease if necessary) to be entered into between the Authority and the County of Morris as a Local Unit in connection herewith (collectively, the "Lease Agreement"), through the issuance of the Authority's "Lease Revenue Bonds, Series 2011A" (the “Initial Lease Revenue Bonds”), the Authority’s “Lease Revenue Notes, Series 2011A (the “Initial Lease Revenue Notes”) the Authority’s “Lease Revenue Bonds, Series 2012 (the “Series 2012 Lease Revenue Bonds”) and any additional bonds or notes

in an amount which together with the Initial Lease Revenue Bonds, Initial Lease Revenue Notes and the Series 2012 Lease Revenue Bonds does not exceed $24,000,000 (the “Additional Lease Revenue Bonds” and together with the Initial Lease Revenue Bonds, the Initial Lease Revenue Notes, and the Series 2012 Lease Revenue Bonds, the “Authority Lease Revenue Bonds”);

WHEREAS, the Authority Lease Revenue Bonds, the Borough of Rockaway Bond and the Town of Newton Bonds shall be collectively referred to as the "Privately Placed Bonds";

WHEREAS, the Borough of Rockaway has (i) heretofore issued bond anticipation notes for various projects as set forth in the several bond ordinances (the “Borough of Rockaway Prior Notes”) and now desires to refund the Borough of Rockaway Prior Notes and (ii) finally adopted two new bond ordinances for additional projects (collectively the "Borough of Rockaway Project") all as set forth on Exhibit A to an agreement (the "Borough of Rockaway Loan Agreement") by and between the Borough of Rockaway and the Authority;

WHEREAS, the Town of Newton has (i) heretofore issued bonds for various projects as set forth in the several bond ordinances (the “Town of Newton Prior Bonds”) and now desires to refund the Town of Newton Prior Bonds and (ii) finance additional projects (collectively the "Town of Newton Project") all as set forth on Exhibit A to an agreement (the "Town of Newton Loan Agreement" and together with the Town of Rockaway Loan Agreement, the “Loan Agreements”; the Loan Agreements and the Lease Agreement shall be collectively referred to as, the “Project Agreements”) by and between the Town of Newton and the Authority;

WHEREAS, the Authority Lease Revenue Bonds will be issued pursuant to the terms of the Authority's bond resolution entitled "RESOLUTION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" (the "Lease Revenue Bond Resolution"), the Act and other applicable law;

WHEREAS, (i) the Borough of Rockaway Bonds will be issued pursuant to the several bond ordinances of the Borough of Rockaway, a resolution of the Borough of Rockaway (the "Borough of Rockaway Bond Resolution") and other applicable law and (ii) the Town of Newton Bonds will be issued pursuant to a refunding bond ordinance, several bond ordinances of the Town of Newton, a resolution of the Town of Newton (the "Town of Newton Bond Resolution") and other applicable law;

WHEREAS, pursuant to the terms of the Lease Agreement, the Authority contemplates taking nominal title to the County of Morris Project for the term set forth therein, then leasing the County of Morris Project to the County of Morris for the term set forth therein, at which time the Authority will convey all of its right, title and interest in and to the County of Morris Project to the County of Morris for nominal consideration;

WHEREAS, the principal of, and interest on the Authority Lease Revenue Bonds shall be paid from certain rental payments made by the County of Morris in accordance with the terms of the Lease Agreement and as otherwise set forth herein;

WHEREAS, pursuant to the terms of the Loan Agreements, the Borough of Rockaway and the Town of Newton acquire or retain, as the case may be, all right, title and interest to the Borough of Rockaway Project and the Town of Newton Project, respectively, and the Authority acquires no interest therein except as may be expressly set forth in the Loan Agreements;

WHEREAS, the principal of, and interest on the Borough of Rockaway Bonds and the Town of Newton Bonds shall be paid from general obligation payments of the Borough of Rockaway and the Town of Newton, respectively;

WHEREAS, the Authority shall deposit the proceeds of the Authority Lease Revenue Bonds issued under the Lease Revenue Bond Resolution with a trustee to be designated under the Lease Revenue Bond Resolution (the "Lease Revenue Trustee") to pay the cost of: (i) the acquisition, construction, renovation or installation of the County of Morris Project; (ii) certain accrued interest to the extent set forth in the Lease Revenue Bond Resolution; (iii) certain costs of issuance to be identified in the Lease Revenue Bond Resolution; (iv) capitalized interest on the Authority Lease Revenue Bonds, if any and (v) such other items as shall be set forth in the Lease Revenue Bond Resolution;

WHEREAS, simultaneously with the issuance of the Authority Lease Revenue Bonds, the Authority shall deposit a portion of the proceeds of the Borough of Rockaway Bonds issued under the Borough of Rockaway Bond Resolution and the Town of Newton Bonds issued under the Town of Newton Bond Resolution with the Trustee, as an equity contribution, to pay the cost of: (i) certain accrued interest attributable to either the Borough of Rockaway Bonds or the Town of Newton, as the case may be, to the extent set forth in the Lease Revenue Bond Resolution; (ii) certain costs of issuance attributable to the Borough of Rockaway Bonds and the Town of Newton Bonds to be identified in the Lease Revenue Bond Resolution; (iii) capitalized interest on the Borough of Rockaway Bonds and the Town of Newton Bonds, if any and (iv) such other items as shall be set forth in the Lease Revenue Bond Resolution;

WHEREAS, (i) the Privately Placed Bonds will be purchased with the proceeds from the Authority's "County of Morris Guaranteed Pooled Program Bonds, Series 2011" (the "Initial Pooled Program Bonds", (ii) the Initial Lease Revenue Notes will be purchased with the proceeds from the Authority's "County of Morris Guaranteed Pooled Program Notes, Series 2011" (the "Initial Pooled Program Notes") and (iii) the Series 2012 Lease Revenue Bonds will be purchased with the proceeds from the Authority's "County of Morris Guaranteed Pooled Program Bonds, Series 2012" (the "Series 2012 Pooled Program Bonds" and together with the Initial Pooled Program Bonds and the Initial Pooled Program Notes, the "Pooled Program Bonds") to be issued under the Authority bond resolution entitled "RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED POOLED PROGRAM BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" (the "Pooled Program Bond Resolution" and together with the Lease Revenue Bond Resolution, the "Bond Resolutions");

WHEREAS, the Pooled Program Bonds and the Authority Lease Revenue Bonds shall be collectively referred to as, the "Bonds";

WHEREAS, any notes issued as Series 2011 Bonds may be refunded through the issuance of one or more series of notes or bonds, so long as (i) the principal amount of such notes or bonds, each issued and Outstanding in the aggregate at any one time under and as defined in the hereinafter defined Bond Resolution, does not exceed $37,700,000 and (ii) the interest rates thereon do not exceed the maximum interest rates set forth in the Local Finance Board Application;

WHEREAS, the issuance of the Pooled Program Bonds for the purpose of acquiring the Privately Placed Bonds to finance the Projects shall collectively be referred to as the "Project");

WHEREAS, the principal of, redemption premium, if any, and interest on the Pooled Program Bonds shall be secured by the pledge of the Trust Estate as defined in the Pooled Program Bond Resolution by the Authority to the Trustee named therein (the "Pooled Trustee" and together with the Lease Revenue Trustee, the “Trustees”), which Trust Estate shall include, among other things, the Lease Agreement, the Loan Agreements, the principal of, redemption premium, if any, and interest on the Borough of Rockaway Bond, the payment on which shall be made by the Borough of Rockaway in accordance with the Local Bond Law or other law as applicable, and which shall be made from the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the Borough of Rockaway, without limitation as to rate or amount, and which Borough of Rockaway Bond shall be assigned by the Authority to the Pooled Trustee as further security for the payment of the Initial Pooled Program Bonds in accordance with the terms of the Pooled Program Bond Resolution and the Loan Agreement, the principal of, redemption premium, if any, and interest on the Town of Newton Bonds, the payment on which shall be made by the Town of Newton in accordance with the Local Bond Law or other law as applicable, and which shall be made from the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the Town of Newton, without limitation as to rate or amount, and which Town of Newton Bonds shall be assigned by the Authority to the Pooled Trustee as further security for the payment of the Initial Pooled Program Bonds in accordance with the terms of the Pooled Program Bond Resolution and the Loan Agreements and the principal of, redemption premium, if any, and interest on the Authority Lease Revenue Bonds and which Authority Lease Revenue Bonds shall be assigned by the Authority to the Pooled Trustee as further security for the payment of the Initial Pooled Program Bonds, the Initial Pooled Program Notes and the Series 2012 Pooled Program Bonds in accordance with the terms of the Pooled Program Bond Resolution and the Lease Agreement, which payments under the Lease Agreement shall be made from the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the County of Morris, without limitation as to rate or amount;

WHEREAS, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Pooled Program Bonds, to be issued in one or more series as bond and notes (including the Initial Pooled Program Bonds, the Initial Pooled Program Notes and the Series 2012 Pooled Program Bonds), shall be fully, unconditionally and

irrevocably guaranteed in an aggregate principal amount not to exceed $37,700,000 in accordance with (i) the terms of one or more guaranty ordinances of the County of Morris (which shall in the aggregate total to $37,700,000) to be finally adopted by the Morris County Board of Freeholders, (ii) by a guaranty certificate to be executed by an authorized officer of the County of Morris on the face of each Pooled Program Bond and (iii) as may be required by any rating agency, underwriter, Pooled Program Bond purchaser or other entity that will allow the Authority to sell the Pooled Program Bonds at the lowest possible cost to the Local Units, an agreement setting forth the County of Morris's obligation to make any such guaranty payments in accordance with and within the parameters set forth in this ordinance (collectively, the "County Guaranty"), all pursuant to Section 37 ("Section 37") of the Act (N.J.S.A. 40:37A-80) and other applicable law, which payments shall also be included as part of the Trust Estate applicable to the Pooled Program Bonds pledged by the Authority to the Trustees under the Bond Resolutions;

WHEREAS, in accordance with the terms of the Lease Revenue Bond Resolution, the Pooled Program Bond Resolution, the County Guaranty, the Lease Agreement and the Loan Agreements, the Trustee shall not notify the County of Morris of the possible need for payments from the County of Morris under the County Guaranty to pay all of a portion of the principal of and interest on the Pooled Program Bonds when due until the respective payment dates for the Local Units under their Privately Placed Bonds, Lease Agreement and Loan Agreements shall have passed and the Local Units shall have failed to make their required payments thereunder in full;

WHEREAS, pursuant to the terms of the Lease Agreement and the Loan Agreements, those Local Units constituting "materially obligated persons" within the meaning and for the purposes set forth in Rule 15c2-12 ("Rule 15c2-12") promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities and Exchange Act of 1934, as amended, will be required to enter into those certain "Local Unit Continuing Disclosure Agreements" to be dated as of the first day of the month of issuance of the Privately Placed Bonds (as the same may be amended and supplemented from time to time in accordance with their respective terms, the "Local Unit Continuing Disclosure Agreements") with the Authority and the Trustee, as dissemination agent (the "Dissemination Agent") in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

WHEREAS, pursuant to the terms of the Pooled Program Bond Resolution, as a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12, the County of Morris will be required to enter into that certain "County Continuing Disclosure Agreement" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "County Continuing Disclosure Agreement") with the Dissemination Agent in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

WHEREAS, pursuant to the terms of the Pooled Program Bond Resolution, the Authority (i) shall not be considered a "materially obligated person" within the meaning and for

the purposes set forth in Rule 15c2-12 and (ii) shall be required to provide certain material events notices in accordance with Rule 15c2-12, and accordingly, the Authority (a) may be required to enter into a separate continuing disclosure agreement, or alternatively, may need to execute the Local Unit Continuing Disclosure Agreements and/or the County Continuing Disclosure Agreement, and (b) shall be required to provide such material events notices under the terms of the Local Unit Continuing Disclosure Agreements and the County Continuing Disclosure Agreement, all in order to satisfy the secondary market disclosure requirements of Rule 15c2-12 (the "Authority Continuing Disclosure Agreement" and together with the Local Unit Continuing Disclosure Agreements and the County Continuing Disclosure Agreement, the "Continuing Disclosure Agreements");

WHEREAS, in order to market and sell the Bonds in one or more series, the Authority will have to (i) make an application (the "Local Finance Board Application") to, and seek, obtain, and officially recognize the findings from the Local Finance Board (the "Local Finance Board") in the Department of Local Government Services of the State Department of Community Affairs, all in accordance with N.J.S.A. 40A:5A-6, 7 and 8 of the Local Authorities Fiscal Control Law and in connection with the Authority Lease Revenue Bonds and the Pooled Program Bonds, which Local Finance Board Application, hearing and process shall to the extent permitted by applicable law, incorporate the requests for approval by the Local Finance Board of certain matters related to the Borough of Rockaway Bonds, (ii) authorize the distribution of a preliminary official statement "deemed final" within the meaning and for the purposes of Rule 15c2-12 describing the terms of the Pooled Program Bonds, the Project and the other transactions contemplated hereby (the "Preliminary Official Statement"), (iii) enter into one or more bond purchase agreements with one or more underwriters (the "Underwriter") selected by the Authority in accordance with its policy for the selection of underwriters as established by Authority resolution no 02-10 adopted July 24, 2002 and entitled "RESOLUTION ADOPTING A POLICY FOR THE SELECTION OF UNDERWRITERS AND OTHER ANCILLARY SERVICE PROVIDERS IN CONNECTION WITH THE SALE OF SECURITIES" (the “Underwriter Selection Policy”) and a fair and open process for the sale of all of the Pooled Program Bonds (the "Bond Purchase Agreement"), (iv) execute and deliver a final Official Statement incorporating the terms of the sale of the Pooled Program Bonds and certain other information into the Preliminary Official Statement (the "Official Statement"), (v) obtain the required resolutions and ordinances of the Local Units necessary in order to authorize the Projects and the financing of the Projects through the Pooled Program Bonds (the "Local Unit Official Action"), (vi) cause the Local Units to make certain representations, warranties and covenants concerning the Projects, the Privately Placed Bonds and the other transactions contemplated hereby prior to their respective execution and delivery of the Lease Agreement and Loan Agreements, but no later than the execution and delivery of the Bond Purchase Agreement (the "Local Unit Letter of Representations") and (vii) cause the Local Units to make certain representations, warranties and covenants concerning the applicable Projects and Privately Placed Bonds, the use of the funds attributable to the Projects and the transactions contemplated hereby prior to their respective execution and delivery of the Lease Agreement and Loan Agreements, but no later than the execution and delivery of the Bond Purchase Agreement, all in

connection with preserving the exclusion of the interest of the Bonds from the gross income of the holders thereof for federal income tax purposes (the "Local Unit Tax Letter of Representations" and together with the Preliminary Official Statement, the Bond Purchase Agreement, the Official Statement and the Local Unit Letter of Representations, the "Sale Documents");

WHEREAS, the Authority shall have no obligation with respect to the Project other than the financing thereof; accordingly, the payment of the Privately Placed Bonds shall remain the sole responsibility of the respective Local Units;

WHEREAS, to the extent that the Authority determines it is in the best interest of the Authority, the Borough of Rockaway and the Town of Newton and in order to achieve the greatest economies of scale, the Authority is hereby authorized to issue the Bonds in one or more series to accommodate separate purchases of the Authority Lease Revenue Bonds, the Borough of Rockaway Bonds and the Town of Newton Bonds at different times and in so doing make such changes, including all documentation in connection therewith, all as deemed necessary, convenient or desirable by any such Authorized Officer, in consultation with the Consultants including such modifications thereto as counsel and financial advisor to the Authority and the Borough of Rockaway may advise, such Authorized Officer's execution and delivery thereof of all financing documents in connection with the combined or separate issuance shall be dispositive of any such changes thereto; and

WHEREAS, in accordance with Section 13 ("Section 13") of the Act (N.J.S.A. 40:37A-56), prior to the issuance of the Bonds, the Authority will have made a detailed report of the Project to the Board of Freeholders, which report will include, without limitation, descriptions of the Pooled Program Bond Resolution, the Lease Revenue Bond Resolution, the Bonds, the form of the Lease Agreement, the form of the Ground Lease Agreement, the form of the Loan Agreement, the master forms of the Continuing Disclosure Agreements, and if necessary, desirable or convenient as determined by the Authority and the County of Morris, such other applicable agreements that may include one or more of the Local Finance Board Application or any Sale Documents (collectively, the "Financing Documents").

NOW, THEREFORE, BE IT RESOLVED by The Morris County Improvement Authority as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. Except as otherwise herein defined, each of the capitalized terms used in this Pooled Program Bond Resolution shall have the same meaning as set forth therefor in the Project Lease Agreements. With respect to any defined term which is given a different meaning under this Pooled Program Bond Resolution than under such Project Lease Agreements, as used herein it shall have the meaning designated below.

(a) The following terms, shall, for all purposes of this Lease Revenue Bond Resolution, have the meanings set forth in the preambles hereof.

Act
Authority
Authority Continuing Disclosure Agreement
Authority Lease Revenue Bonds
Authority Pooled Program Bonds
Board of Freeholders
Bond Purchase Agreement
Borough of Rockaway
Borough of Rockaway Bond Resolution
Borough of Rockaway Bonds
Continuing Disclosure Agreements
County
County Guaranty
County Continuing Disclosure Agreement
Dissemination Agent
Financing Documents
Lease Revenue Bond Resolution
Lease Revenue Projects
Loan Agreement
Local Bond Law
Local Finance Board
Local Finance Board Application
Local Unit Continuing Disclosure Agreements
Local Unit Guaranties
Local Unit Letter of Representations
Local Unit Official Action
Local Unit Tax Letter of Representations
Local Units
Municipal Local Units
Municipal Project Lease Agreements

Municipal Projects
Official Statement
Other Local Units
Other Project Lease Agreements
Pooled Program Bond Resolution
Pooled Trustee
Preliminary Official Statement
Privately Placed Bonds
Project Lease Agreements
Projects
Rule 15c2-12
Sale Documents
School Bond Law
School District Local Units
School Project Lease Agreements
School Projects
Section 13
SEC
Series 2011 Bonds
Series 2011 Project
State
Trustee
Underwriter
Underwriter Selection Policy

(b) The following terms shall, for all purposes of this Lease Revenue Bond Resolution, have the following meanings:

"Acceptance Certificate" shall mean a certificate in the form attached to the Project Lease Agreements executed by an Authorized Officer of the Applicable Local Unit.

"Accounts" shall mean any account established in any of the Funds established by Article V hereof.

"Acquisition Account" shall have the meaning ascribed to such term in the Lease Revenue Bond Resolution.

"Acquisition Fund" shall have the meaning ascribed to such term in the Lease Revenue Bond Resolution.

"Additional Bonds" means all Bonds authenticated and delivered pursuant to Section 2.04 hereof.

"Additional Lease Payments" shall have the meaning ascribed to such term in the Lease Revenue Bond Resolution.

"Administrative Fee" shall have the meaning ascribed to such term in the Lease Revenue Bond Resolution.

"Allocable Share" shall mean with respect to any Local Unit, the fraction, the numerator of which is the Outstanding principal amount of Bonds of the Series attributable to such Local Unit and the denominator of which is the Outstanding principal amount of Bonds of all Series issued simultaneously with the Series of Bonds attributable to such Local Unit.

"Applicable" shall mean (i) with respect to any series of Authority Pooled Program Bonds, the series of Authority Pooled Program Bonds issued for a particular purpose under this Pooled Program Bond Resolution, (ii) with respect to any County Guaranty, the County Guaranty securing a particular series of Authority Pooled Program Bonds under this Pooled Program Bond Resolution, (iii) with respect to any Trust Estate, the Trust Estate securing a particular series of Authority Pooled Program Bonds under this Pooled Program Bond Resolution, (iv) with reference to any Fund, Account or Subaccount so designated and established by this Pooled Program Bond Resolution, the Fund, Account or Subaccount so designated and established, (v) with reference to any Fund, Account or Subaccount so established under the Lease Revenue Bond Resolution and designated with the prefix of a particular Local Unit, the Fund, Account or Subaccount so designated and established for such Local Unit, (vi) with respect to any series of Bonds, the series of Bonds issued for a particular purpose under the Lease Revenue Bond Resolution, (vii) with reference to any Local Unit, the Local Unit under any particular Project Lease Agreement or Loan Agreement, (viii) with reference to any Privately Placed Bond Trust Estate, the Privately Placed Bond Trust Estate that has been designated under the Lease Revenue Bond Resolution with the prefix of a particular Local Unit and (ix) with reference to any Project Lease Agreement, Loan Agreement or Local Unit Guaranty, the Project Lease Agreement, Loan Agreement or Local Unit Guaranty of or issued for the benefit of any particular Local Unit.

"Authority Pooled Program Bondholder," "Authority Pooled Program Bond Holder," "Holder of Authority Pooled Program Bonds," "Holder" or "holder" shall mean the registered owner of any Authority Pooled Program Bond or Authority Pooled Program Bonds.

"Authority Pooled Program Bond Loan Repayment" shall have the meaning set forth in the Loan Agreement.

"Authority Pooled Program Bond Loan Repayment Date" shall mean the dates set forth in Section 3.03 of the Loan Agreement.

"Authorized Newspapers" shall mean (a) one newspaper which is customarily published and generally circulated at least once in each calendar week in the County, and (b) one newspaper which is customarily published in the Borough of Manhattan, City and State of New York, at least once a day for a least five days (other than legal holidays) in each calendar week, each of which newspapers is printed in the English language; provided however that with respect to the redemption of Authority Pooled Program Bonds, "Authorized Newspapers" shall refer only to the newspaper which is described in (b) of this definition.

"Authorized Officer" or "Authorized Representative" shall mean, (1) with respect to the Authority: the Chairperson, the Vice Chairperson, the Treasurer, the Secretary or the Chairperson of the Authority and, when used with reference to an act or document, also means any other person who shall be authorized by resolution or the by-laws of the Authority to perform such act or to execute such document or any other person or persons who shall be authorized by resolution of the Authority to act on behalf of the Authority or by a written certificate duly executed on behalf of the Authority by the Chairperson or by the Chairperson of the Authority, which certificate shall set forth such authorization and shall contain the specimen signatures of each such person; (2) with respect to any Local Unit: the person designated as an Authorized Officer in the Applicable Project Lease Agreement or Loan Agreement of any such Local Unit or any other person or persons who shall be authorized to act on behalf of such Local Unit by virtue of a resolution, which resolution shall set forth such authorization; (3) with respect to the Pooled Trustee: any officer of the Pooled Trustee authorized by the Pooled Trustee to act or execute documents on behalf of the Pooled Trustee; (4) with respect to the Privately Placed Trustee: any officer of the Privately Placed Trustee authorized by the Privately Placed Trustee to act or execute documents on behalf of the Privately Placed Trustee; and (5) with respect to the County in any capacity other than clause (2) above, the County Executive of the County and, when used with reference to an act or document, also means any other person who shall be authorized by State statute, resolution, by-laws or Administrative Code of the County to perform such act or to execute such document or any other person or persons who shall be authorized by resolution of the County's Board of Chosen Freeholders to act on behalf of the County or by a written certificate duly executed on behalf of the County by the County Executive of the County, which certificate shall set forth such authorization and shall contain the specimen signatures of each such person.

"Base Rate" shall have the meaning ascribed to such term in the Lease Revenue Bond Resolution.

"Basic Lease Payment Date" shall have the meaning ascribed to such term in the Lease Revenue Bond Resolution.

"Basic Lease Payment" shall have the meaning ascribed to such term in the Lease Revenue Bond Resolution.

"Board" shall mean the governing body of the Authority, or if said Board shall be abolished, the board, body, commission or agency succeeding to the principal functions thereof or to whom the powers and duties granted or imposed by this Pooled Program Bond Resolution shall be given by law.

"Bond" or "Bonds" shall mean any of the Bonds of any Series issued pursuant to the terms of this Pooled Program Bond Resolution, including the Authority Pooled Program Bonds and any Additional Bonds, or any Bonds that are thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 4.07 or 11.10 hereof.

"Bond Counsel" shall mean any attorney at law, or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exclusion of interest on bonds or other obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state.

"Bond Proceeds Fund" shall mean the Fund so designated and established by Article V of this Pooled Program Bond Resolution.

"Bond Year" shall mean with respect to the Authority Pooled Program Bonds, a period of 12 consecutive months beginning on August 15 of any calendar year and ending on August 14 of the immediately succeeding calendar year except that the first Bond Year shall be a period commencing on the respective dates of issuance of such Series of Bonds hereunder and ending on August 14, 2004.

"Bondholder," "Bond Holder," "Holder" or "Holder of Bonds" shall mean the registered owner of any Bond or Bonds.

"Borough of Rockaway Trust Estate" shall have the meaning ascribed to such term in the Lease Revenue Bond Resolution.

"Business Day" shall mean, with respect to the Privately Placed Bonds of any Series, any day other than (i) a Saturday, Sunday or legal holiday or a day on which banking institutions, in the city in which the Principal Office of the Authority, any Local Unit, the Privately Placed Trustee, the Pooled Trustee or the Paying Agent is located, are closed, or (ii) a day on which the New York Stock Exchange is closed .

"Certificate" shall mean a written certificate signed in the name of the Authority, any Local Unit, the County, the Privately Placed Trustee or the Pooled Trustee. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the instruments so combined shall be read and construed as a single instrument.

"Code" shall mean the Internal Revenue Code of 1986, as the same may from time to time be amended or supplemented, including any regulations or judicial interpretations thereof.

"Cost" shall mean and be deemed to include, with respect to any Project, but on a pro-rata basis with respect thereto, together with any other proper item of cost not specifically mentioned herein, whether incurred prior to or after the date of the Applicable Project Agreements, (a) costs of payment of, or reimbursement for, the acquisition, construction, renovation or installation and financing of such Project, including, but not limited to, advances, deposits, downpayments or progress payments, installation costs, administrative costs and capital expenditures relating to the installation, financing payments, sales taxes, excise taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recording costs, printing costs, reproduction and binding costs, fees and charges of the Privately Placed Trustee and the Pooled Trustee pursuant to the Lease Revenue Bond Resolution, this Pooled Program Bond Resolution, the County Guaranty, the Local Unit Guaranties, the Project Agreements financing documents, legal fees and charges, financial, accounting and other professional consultant fees, costs of rating agencies or credit ratings, fees for the printing, execution, transportation and safekeeping of the Privately Placed Bonds and the Authority Pooled Program Bonds and charges and fees in connection with the foregoing; (b) all other costs which the Local Units or the Authority shall be required to pay under the terms of any contract or contracts for the acquisition, construction, renovation or installation of any Project, including, but not limited to, the cost of insurance; (c) any sums required to reimburse the Local Units for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to any Project thereof; (d) deposits in any Fund or Account under the Lease Revenue Bond Resolution or this Pooled Program Bond Resolution, all as shall be provided in the Lease Revenue Bond Resolution or this Pooled Program Bond Resolution; and (e) such other expenses not specified herein as may be necessary or incidental to the acquisition, construction, renovation or installation of any Project, the financing thereof and the placing of the same in use and operation. Cost as defined herein shall be deemed to include the costs and expenses incurred by any agent of the Local Units for any of the above mentioned items.

"Costs of Issuance Account" shall mean the Account within the Bond Proceeds Fund so designated and established by Article V of this Pooled Program Bond Resolution.

"Costs of Issuance" shall mean all items of expense directly or indirectly payable by or reimbursable to the Local Unit and/or the Authority and related to the authorization, execution, sale and delivery of the Privately Placed Bonds and the Authority Pooled Program Bonds, including, but not limited to, bond insurance costs, rating agency fees, advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Privately Placed Trustee, the Pooled Trustee and the Authority, the fees to be paid to the underwriters of a particular Series of Privately Placed

Bonds or Authority Pooled Program Bonds, legal fees of parties to the transaction and initial charges, and all other initial fees and disbursements contemplated by the Project Agreements.

"Counsel" shall mean an attorney at law or firm of attorneys at law (who may be, without limitation, of counsel to, or an employee of the Privately Placed Trustee or the Paying Agent) duly admitted to practice law before the highest court of any state.

"Debt Service Fund" means the Fund so designated and established by Article V hereof.

"Default" shall mean an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default with respect to the Privately Placed Bonds.

"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 Privately Placed Bonds.

" Lease Agreement" shall mean any or all, as the case may be, of the Project Lease Agreements entitled "Property and Infrastructure Lease Purchase Agreement" and dated as of _____, 2011 with the Authority and the County.

"Event of Default" shall mean any occurrence or event designated as such in Section 9.01 hereof.

"Fiduciary" or "Fiduciaries" shall mean the Pooled Trustee or the Paying Agent hereunder, or both of them, as may be appropriate.

"Funds" shall mean any of the funds established by Article V hereof.

"General Fund" shall mean the Fund so designated and established by Article V of this Pooled Program Bond Resolution.

"Interest Account" shall mean the Account within the Debt Service Fund so designated and established by Article V of this Pooled Program Bond Resolution.

"Interest on the Loan" shall have the meaning set forth in the Loan Agreement.

"Interest Payment Date" shall mean the date on which interest on the Authority Pooled Program Bonds is required to be paid to the Authority Pooled Program Bond Holders thereof, being the 15th day of each _____ and _____ until final maturity of such

Series of Authority Pooled Program Bonds, commencing _____, which shall constitute a regularly scheduled Interest Payment Date, or the date of any redemption or acceleration of the Authority Pooled Program Bonds or any Series thereof.

"Interest Portion" shall mean with respect to Basic Lease Payments or Authority Pooled Program Bond Loan Repayments due on any Basic Lease Payment Date or Authority Pooled Program Bond Loan Repayment Date, as the case may be, by a Local Unit, the interest due and owing on such Local Unit's Applicable Privately Placed Bonds on the immediately succeeding Interest Payment Date thereof, as set forth in Exhibit D to the Equipment Lease Agreements and Exhibit A of the Loan Agreement, less any credits and reductions as contemplated by the Applicable Project Lease Agreements or Loan Agreement.

"Investment Securities" shall mean and include any of the following securities, if and to the extent the same are at the time legal for investment of the Authority's funds:

(i) cash, direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal of and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS or defeased municipal notes or bonds rated in the highest rating category by the Rating Agencies;

(ii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state or of any agency or instrumentality of any such local governmental unit (a) that are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such Notes for redemption on the date or dates specified in such instructions, (b) that are secured as to principal, interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character in clause (i) above that have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate;

(iii) bonds, debentures or other evidences of indebtedness issued or guaranteed by any agency or corporation that has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America;

(iv) new housing authority bonds issued by public agencies or municipalities that are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or project notes issued by public agencies or municipalities that are fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(v) direct, general obligations of any state of the United States of America, the payment of the principal of and interest on which the full faith and credit of such state is pledged; provided, however, that at the time of their purchase hereunder such obligations are rated in either of the two highest rating categories by the Rating Agencies;

(vi) obligations of any state of the United States of America or any political subdivision thereof or of any agency or instrumentality of any such state or political subdivision that shall be rated in the highest short- or long-term rating category by the Rating Agencies;

(vii) direct and general obligations of the State, the payment of the principal of and interest on which the full faith and credit of the State is pledged; or any bonds or other obligations the payment of the principal of and interest on which are unconditionally guaranteed by the State;

(viii) certificates or other instruments that evidence ownership of the right to payments of principal of or interest on obligations of any state of the United States of America or any political subdivision thereof or of any agency or instrumentality of any such state or political subdivision; provided, however, that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under Section 10.09 hereof; and provided, further, that the payments of all principal of and interest on such obligations shall be fully insured or unconditionally guaranteed by, or otherwise unconditionally payable pursuant to a credit support arrangement provided by, one or more financial institutions or insurance companies or associations that shall be rated in the highest short- or long-term rating category by the Rating Agencies, or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bonds, such insurance policy shall result in such municipal bonds being rated in the highest rating category by the Rating Agencies;

(ix) certificates that evidence ownership of the right to payments of principal of or interest on obligations described in clause (i) above; provided, however, that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under Section 10.09 hereof;

(x) certificates of deposit, whether negotiable or non-negotiable, and banker's acceptances of any of the fifty (50) largest banks by measure of total assets, which banks may include the Trustee, that are rated not lower than the second highest rating category by the Rating Agencies;

(xi) commercial paper, other than that issued by bank holding companies, rated at the date of investment in the highest rating category by the Rating Agencies;

(xii) any repurchase agreement that, by its terms, matures not later than one (1) year from its date of execution with any bank or trust company organized under the laws of any state of the United States of America or any national banking association, including the Trustee, or any government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clause (i), (iii), (iv), (x) or (xi) above and which securities shall at all times have a market value (exclusive of accrued interest) of not less than one hundred two percent (102%) of the full amount of the repurchase agreement, have dates of maturity not in excess of seven (7) years, and be delivered to another bank or trust company organized under the laws of any state of the United States of America or national banking association, as custodian;

(xiii) shares of an investment company organized under the Investment Company Act of 1940, as amended, including any investment company for which the Trustee is investment advisor, that invests its assets substantially in obligations of the type described in clause (ii), (vii), (xi) or (xii) above;

(xiv) interests in the State of New Jersey Cash Management Fund or other similar common trust fund for which the State Treasurer is the custodian;

(xv) local government investment pools; and

(xvi) any other investments permitted under N.J.S.A. 40A:5-15.1.

"Lease Payments" shall have the meaning ascribed to such term in the Lease Revenue Bond Resolution.

"Letter of Instructions" shall mean the letter of instructions attached to the Tax Certificate as Exhibit A provided by Inglesino, Pearlman, Wyciskala & Taylor, LLC on the date of issuance and delivery of the Privately Placed Bonds, as such letter may be amended from time to time, as a source of guidance for compliance with the Code.

"Loan Repayments" shall have the meaning set forth in the Loan Agreement.

"Local Unit Revenue Account" shall have the meaning ascribed to such term in the Lease Revenue Bond Resolution.

"Outstanding" or "outstanding" shall mean, when used with reference to Authority Pooled Program Bonds of any Series, as of any particular date (subject to the provisions of Section 13.08 hereof), all Authority Pooled Program Bonds of such Series theretofore, or thereupon being, authenticated and delivered by the Pooled Trustee under this Pooled Program Bond Resolution, except (i) Authority Pooled Program Bonds of such Series theretofore or thereupon canceled by the Pooled Trustee or surrendered to the Pooled Trustee for cancellation; (ii) Authority Pooled Program Bonds of such Series with respect to which all liability of the Authority shall have been discharged in accordance with Article XII; and (iii) Authority Pooled Program Bonds of such Series in lieu of or in substitution for which other Authority Pooled Program Bonds of such Series shall have been authenticated and delivered by the Pooled Trustee pursuant to any provision of this Pooled Program Bond Resolution.

"Overdue Rate" shall mean (i) with respect to Lease Payments, 2% per annum over the Base Rate, which rate will change automatically and immediately as of the date the Privately Placed Trustee changes its Base Rate, without notice to the Local Units and (ii) with respect to Loan Repayments, the rate set forth in Section 3.03(b) of the Loan Agreement.

"Owner" of an Authority Pooled Program Bond shall mean the registered owner of such Authority Pooled Program Bond as shown on the register kept by the Pooled Trustee pursuant to Section 3.04 of this Pooled Program Bond Resolution.

"Paying Agent" means the Paying Agent appointed pursuant to Section 10.02 hereof, and its successors.

"Pooled Program Trust Estate" shall mean (i) the principal and redemption premium, if any, of and interest or other investment earnings received or to be received on any moneys or securities, including without limitation, the Series 2011A Bonds and the Borough of Rockaway Bonds, invested or held in any Funds or Accounts established hereunder with respect to the Authority Pooled Program Bonds (except for the Rebate Fund), (ii) all moneys payable under the County Guaranty, but solely as it relates to the Authority Pooled Program Bonds, and (iii) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of the Authority Pooled Program Bonds.

"Principal Account" shall mean the Account within the Debt Service Fund so designated and established by Article V of this Pooled Program Bond Resolution.

"Principal Office" shall mean, when used with reference to the Authority, the Pooled Trustee or the Paying Agent, the respective addresses of such parties as set forth in Section 13.07 hereof, and any further or different addresses as such parties may designate pursuant to Section 13.07 hereof.

"Principal Payment Date" shall mean the date on which principal on the Authority Pooled Program Bonds is required to be paid to the Authority Pooled Program Bond Holders thereof, being the 15th day of each _____ until final maturity of such Series of Authority Pooled Program Bonds, commencing _____ 15, 20__ which shall constitute a regularly scheduled Principal Payment Date, or the date of any redemption or acceleration of the Authority Pooled Program Bonds or any Series thereof.

"Principal Portion" shall mean with respect to Basic Lease Payments due on any Basic Lease Payment Date or any Authority Pooled Program Bond Loan Repayments due on any Authority Pooled Program Bond Loan Repayment Date, the Local Units' Applicable Share of principal of the Applicable Series of Bonds due and owing on the immediately succeeding Principal Payment Date (as defined in the Lease Revenue Bond Resolution) of such Applicable Series of Privately Placed Bonds, as set forth in Exhibit C to the Equipment Lease Agreements and Schedule B to Exhibit A of the Loan Agreement, less any credits as contemplated by the Applicable Project Lease Agreements or Loan Agreement.

"Privately Placed Bond Trust Estate" shall mean the Local Unit Trust Estate as such term is defined in the Lease Revenue Bond Resolution and the Borough of Rockaway Trust Estate.

"Privately Placed Trustee" shall mean the Trustee appointed pursuant to Section 10.01 of the Lease Revenue Bond Resolution, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the provisions of the Lease Revenue Bond Resolution.

"Proceeds" shall mean the aggregate moneys paid by the initial purchasers of the Authority Pooled Program Bonds to the Pooled Trustee, including any accrued interest on the Authority Pooled Program Bonds, which may be net of any applicable underwriter's discount with respect to the Authority Pooled Program Bonds.

"Project Agreement" shall mean any or all, as the case may be, of the Project Lease Agreements or the Loan Agreement.

"Project" shall mean any Equipment, or all of them, as the case may be.

"Purchase Account" shall mean shall mean the Account within the Bond Proceeds Fund so designated and established by Article V of this Pooled Program Bond Resolution.

"Rating Agency" shall mean individually or collectively, as the case may be, Moody's Investors Service, or any other nationally recognized rating agency that has rated the

Bonds or any Series of Additional Bonds, which rating was sought and/or purchased by the Authority.

"Rebate Fund" shall mean the Fund so designated and established by Article V hereof.

"Record Date" shall mean with respect to an Interest Payment Date for a particular Series of Authority Pooled Program Bonds, unless otherwise provided by this Pooled Program Bond Resolution or a Supplemental Resolution authorizing such Series, the first (1st) day (whether or not such day shall be a Business Day) of the month preceding such Interest Payment Date.

"Redemption Price" shall mean, when used with reference to any Authority Pooled Program Bond or any portion thereof, the principal amount of such Authority Pooled Program Bond or such portion thereof and any premium thereon payable upon redemption thereof pursuant to the provisions of such Authority Pooled Program Bond and this Pooled Program Bond Resolution.

"Repurchase Agreement" means a written agreement under which a bank or trust company which has a capital and surplus of not less than $50,000,000 or a government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York sells to, and agrees to repurchase from the Authority or the Pooled Trustee Government Obligations; provided that the market value of such obligations is at the time of entering into the agreement at least one hundred and three percent (103%) of the repurchase price specified in the agreement and that such obligations are segregated from the unencumbered assets of such bank or trust company or government bond dealer; and provided further that unless the agreement is with a bank or trust company, such agreement shall require the repurchase to occur on demand or on a date certain and shall expressly authorize the Pooled Trustee or the Authority, as the case may be, to liquidate the purchased obligations in the event of the insolvency of the party required to repurchase such obligations or the commencement against such party of a case under the federal bankruptcy code or the appointment of or taking possession by a trustee or custodian in a case against such party under the Bankruptcy Code. Any such investments may be purchased from or through the Pooled Trustee.

"Reserved Rights" shall mean, with respect to any particular Local Unit and its Project Lease Agreement or the Borough of Rockaway and its Loan Agreement, as the case may be, the Authority's right to (i) receive the Additional Lease Payments or Interest on the Loan representing Administrative Fees payable by such Local Unit and amounts payable thereunder at the Overdue Rate, (ii) receive notices provided for in such Project Lease Agreement or Loan Agreement, (iii) appoint, replace or remove such parties as shall be appointed, replaced or removed under such Project Lease Agreement, the Loan Agreement, the County Guaranty, the Lease Revenue Bond Resolution and this Pooled Program Bond Resolution at the direction of the Authority and (iv) the right to give or withhold consents permitted or required of the

Authority under such Project Lease Agreement, the Loan Agreement, the County Guaranty, the Lease Revenue Bond Resolution and this Pooled Program Bond Resolution and to consent to or withhold consent to amendments to such Project Lease Agreement, the Loan Agreement, the County Guaranty, the Lease Revenue Bond Resolution and this Pooled Program Bond Resolution to the extent that any such consent or amendment would diminish the rights or enlarge the responsibilities or adversely affect the ability of the Authority to realize or perform same, respectively, or which would increase the Authority's potential liability or exposure to any party to such documents or to any third party as a result thereof.

"Revenue Fund" shall mean the Fund so designated and established by Article V of the Lease Revenue Bond Resolution.

"Series 2011A Bonds" shall mean the $_____ aggregate principal amount of Bonds constituting the "Morris County Improvement Authority Lease Revenue Bonds, Series 2011A" authorized pursuant to the terms of Section 2.03(1)(a) of the Lease Revenue Bond Resolution.

"Series 2011A Notes" shall mean the $_____ aggregate principal amount of Notes constituting the "Morris County Improvement Authority Lease Revenue Notes, Series 2011A" authorized pursuant to the terms of Section 2.03(1)(a) of the Lease Revenue Bond Resolution.

"Series" shall mean all of the Authority Pooled Program Bonds authenticated and delivered on original issuance and identified pursuant to this Pooled Program Bond Resolution or any Supplemental Resolution authorizing such Authority Pooled Program Bonds as a separate Series of Authority Pooled Program Bonds, and any Authority Pooled Program Bonds thereafter authenticated and delivered in lieu of or in substitution for such Authority Pooled Program Bonds pursuant to Article III or Sections 4.07 or 11.10 hereof, regardless of variations in maturity, interest rate or other provisions.

"Subaccounts" shall mean any subaccount established in any of the Accounts established by Article V of the Lease Revenue Bond Resolution.

"Supplemental Resolution" shall mean the certificate or certificates of an Authorized Officer of the Authority referred to in Section 2.02(1)(d) hereof or any resolution or resolutions of the Authority amending, modifying or supplementing this Pooled Program Bond Resolution, authorizing the issuance of a Series of Authority Pooled Program Bonds, or any other Supplemental Resolution adopted by the Authority pursuant to the provisions of this Pooled Program Bond Resolution.

"Tax Certificate", with respect to any Series of Authority Pooled Program Bonds, means the "Tax Certificate as to Arbitrage and Instructions as to Compliance with the Provisions of Section 103(a) of the Internal Revenue Code of 1986, as amended" executed and

delivered by an Authorized Officer of the Authority on the date of issuance of such Series of Authority Pooled Program Bonds, as the same may be supplemented and amended from time to time.

"Trust Estate" shall mean any of, as applicable, or collectively, as the case may be, the Pooled Program Trust Estate or any other trust estate established under a supplemental bond resolution.

SECTION 1.02. Rules of Interpretation. For all purposes of this Pooled Program Bond Resolution, except as otherwise expressly provided or unless the context otherwise requires:

(a) "This Pooled Program Bond Resolution" means this instrument as originally adopted and as it may be supplemented, modified or amended from time to time by any Supplemental Resolution, unless in the case of any one or more Supplemental Resolutions the context requires otherwise.

(b) All reference in this Pooled Program Bond Resolution to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Pooled Program Bond Resolution. The words "herein", "hereof", "hereunder" and "herewith" and other words of similar import refer to this Pooled Program Bond Resolution as a whole and not to any particular Article, Section or other subdivision hereof.

(c) The terms defined in this Pooled Program Bond Resolution include the plural as well as the singular.

(d) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(e) The table of contents and the headings or captions used in this Pooled Program Bond Resolution are for convenience of reference only and shall not define, limit or prescribe any of the provisions hereof or the scope or intent hereof.

SECTION 1.03. Authority for this Pooled Program Bond Resolution. This Pooled Program Bond Resolution is adopted pursuant to the provisions of the Act and constitutes a resolution authorizing bonds pursuant to the Act.

SECTION 1.04. Pooled Program Bond Resolution and Authority Pooled Program Bonds Constitute a Contract; Pledge of Trust Estate. With respect to the Authority Pooled Program Bonds, in consideration of the purchase and acceptance of any and all of the

Authority Pooled Program Bonds authorized to be issued under this Pooled Program Bond Resolution by those who shall hold the same from time to time: (i) this Pooled Program Bond Resolution shall be deemed to be and shall constitute a contract between the Authority, the Pooled Trustee and the Authority Pooled Program Bond Holders, from time to time; (ii) the respective pledges made herein to the Pooled Trustee shall in every respect be subordinate to the respective pledges made herein to the Pooled Trustee for the benefit of the Authority Pooled Program Bond Holders of the Authority Pooled Program Bonds except that Authority Pooled Program Bond Owners shall have no interest in and shall not be secured by the Rebate Fund; (iii) the respective pledges made herein for the benefit of the Authority Pooled Program Bond Holders of the Series of Bonds shall be for the equal and ratable benefit, protection and security of the Authority Pooled Program Bond Holders of each such Series of Authority Pooled Program Bonds, all of the Authority Pooled Program Bonds in such Series regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority of such Series, or distinction as to lien or otherwise, except as expressly provided in or permitted hereby; (iv) the duties, covenants, obligations and agreements set forth herein to be observed and performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Authority Pooled Program Bond Holders of all of the Authority Pooled Program Bonds of such Series; (v) the Authority, as security for the payment of the principal and Redemption Price, if any, of and the interest on the Authority Pooled Program Bonds and as security for the observance and performance of any other duty, covenant, obligation or agreement of the Authority under this Pooled Program Bond Resolution relating to the Authority Pooled Program Bonds all in accordance with the provisions thereof and hereof, does hereby grant a security interest in and further does grant, bargain, sell, convey, pledge, assign and confirm to the Pooled Trustee for the benefit of the Owners of the Authority Pooled Program Bonds the Pooled Program Trust Estate; (vi) the pledges made hereby are valid and binding from the time when the pledges are made and the respective Trust Estates shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act and regardless of whether held by the Pooled Trustee, and the lien of such pledges 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 and (vii) the Authority Pooled Program Bonds shall be limited, special obligations of the Authority payable solely from and secured by a pledge of the Pooled Program Trust Estate as provided hereby.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF AUTHORITY POOLED PROGRAM BONDS

SECTION 2.01. Authorization of Authority Pooled Program Bonds; Designation of Authority Pooled Program Bonds; Additional Bonds.

1. This Pooled Program Bond Resolution authorizes Authority Pooled Program Bonds of the Authority to be designated as "County of Morris Guaranteed Authority Pooled Program Bonds, Series 2011" and "County of Morris Guaranteed Authority Pooled Program Notes, Series 2011" which may be issued in accordance with Section 2.03 hereof.

2. Neither the State, the Local Units nor any political subdivision thereof, other than the Authority (but solely to the extent of the Trust Estate) and other than the County (except to the extent of the County Guaranty and the Lease Payments), is obligated to pay the principal or Redemption Price of, or interest on, the Authority Pooled Program Bonds, and neither the full faith and credit nor the taxing power of the State, the Local Units nor any political subdivision thereof other than the County (except to the extent of the County Guaranty and the Lease Payments), including the Authority (which has no taxing power) is pledged to the payment of the principal or Redemption Price of, or interest on, the Authority Pooled Program Bonds.

SECTION 2.02. General Provisions for Issuance of Authority Pooled Program Bonds.

1. All (but not less than all) of the Authority Pooled Program Bonds authorized hereby shall be executed by the Authority in accordance with Section 3.03 hereof for issuance under this Pooled Program Bond Resolution. All of the Authority Pooled Program Bonds shall also contain an executed designation by the County of the County Guaranty in the forms set forth in Article XIV hereof. Thereupon, all (but not less than all) of the fully executed Authority Pooled Program Bonds shall also contain the executed designation of the County Guaranty, shall be delivered to the Pooled Trustee and shall be authenticated by the Pooled Trustee and by it delivered to the Authority or upon its order, but only upon the receipt by the Pooled Trustee of:

(a) A copy of this Pooled Program Bond Resolution, certified by an Authorized Officer of the Authority;

(b) In the case of each Series of Additional Bonds, a copy of the Supplemental Resolution authorizing such Additional Bonds, certified by an Authorized Officer of the Authority, which shall, among other provisions, specify: (i) the authorized principal amount, designation and Series of such Additional Bonds; (ii) the purposes for which such Series of Additional Bonds

is being issued, which shall be one of the purposes set forth in Section 2.04 hereof; (iii) the date, and the maturity date or dates, of the Additional Bonds of such Series; (iv) the interest rate or rates of the Additional Bonds of such Series and the initial Interest Payment Date thereof, provided that the interest rate shall be identical for all such Additional Bonds of like maturity; (v) the denominations of, and the manner of dating, numbering and lettering, the Additional Bonds of such Series, provided that such Additional Bonds shall be in denominations of $5,000 or any integral multiple thereof as authorized by such Supplemental Resolution; (vi) the Paying Agent or Paying Agents and the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Additional Bonds of such Series; (vii) the Redemption Price or Prices, if any, and, subject to Article IV, the redemption terms for the Additional Bonds of such Series; (viii) the amount and due date of each Sinking Fund Installment, if any, for Additional Bonds of like maturity of such Series; (ix) the form of the Additional Bonds of such Series and of the trustee's certificate of authentication, which shall be substantially in the form set forth in Section 14.01 for the Authority Pooled Program Bonds with such variations, insertions or omissions as are appropriate and not inconsistent therewith; and (x) the provisions for the application of proceeds of such Series of Additional Bonds;

(c) An opinion of Bond Counsel to the effect that (i) the Authority has the right and power under the Act, as amended to the date of such opinion, to adopt this Pooled Program Bond Resolution, and this Pooled Program Bond Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and constitutes the valid and binding agreement of the Authority enforceable in accordance with its terms, and no other authorization for this Pooled Program Bond Resolution is required; (ii) this Pooled Program Bond Resolution creates the valid pledge which it purports to create of the Trust Estate, subject only to the provisions of this Pooled Program Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Pooled Program Bond Resolution; and (iii) the Authority is duly authorized and entitled to issue the Authority Pooled Program Bonds and such Authority Pooled Program Bonds have been duly and validly authorized and issued by the Authority, in accordance with law, including the Act, as amended to the date of such opinion, and in accordance with this Pooled Program Bond Resolution, and constitute the valid and binding obligations of the Authority as provided in this Pooled Program Bond Resolution, enforceable in accordance with their terms and the terms of this Pooled Program Bond Resolution, and are entitled to the benefits of the Act, as amended to the date of such opinion, and this Pooled Program Bond Resolution. Such opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy,

insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and may state that no opinion is being rendered as to the availability of any particular remedy;

(d) A written order to the Pooled Trustee as to the delivery of such Authority Pooled Program Bonds, signed by an Authorized Officer of the Authority;

(e) Notwithstanding any other provision herein, a Certificate of an Authorized Officer of the Authority setting forth (i) the aggregate principal amount of Authority Pooled Program Bonds to be issued for each Series under this Pooled Program Bond Resolution, (ii) the interest rates and Redemption Prices and other redemption terms applicable to each Series of Authority Pooled Program Bonds to be issued under this Pooled Program Bond Resolution, (iii) the selection of the Pooled Trustee, (iv) evidence that (A) the County Guaranty is in full force and effect, and (B) the Applicable Series of Bonds securing any such Series of Authority Pooled Program Bonds is in full force and effect and (v) subject to the parameters set forth in the definition of Authority Pooled Program Bonds and upon the advice of Authority counsel and its professional advisors, the addition to, deletion from or modification of any provision of this Pooled Program Bond Resolution, as originally adopted on _____, 2011, the contents of which certificate may be incorporated in this Pooled Program Bond Resolution without the compliance with any other provision herein, including without limitation Article XI hereof. The Authorized Officer executing any such certificate shall report the substance of such certificate to the Board at the Board's next public meeting;

(f) A copy of evidence of the publication of an estoppel notice required pursuant to N.J.S.A. 40:37A-62 of the Act relating to this Pooled Program Bond Resolution and any Supplemental Resolution, as applicable, which estoppel notice shall be published by any Authorized Officer hereby authorized for such purposes, or in the alternative, by Bond Counsel, hereby also authorized for such purpose; and

(g) Such further documents, moneys and securities as are required by the provisions of any Supplemental Resolution adopted pursuant to Article XI hereof.

2. All the Authority Pooled Program Bonds of like maturity shall be identical in all respects, except as to denominations, numbers and letters. After the original issuance of Authority Pooled Program Bonds of any Series, no Authority Pooled Program Bonds of such Series shall be issued except in lieu of or in substitution for other Authority Pooled Program Bonds of such Series pursuant to Article III or Sections 4.07 or 11.10 hereof.

SECTION 2.03. Authority Pooled Program Bonds.

1. The Authority Pooled Program Bonds shall be comprised of one or more Series of Authority Pooled Program Bonds and one or more Series of Authority Pooled Program Notes, the determination as to the number of Series of Authority Pooled Program Bonds to be made by an Authorized Officer as stated in a Certificate of an Authorized Officer pursuant to Section 2.02(1)(e) hereof. Each Series of Authority Pooled Program Bonds is entitled to the benefit, protection and security of this Pooled Program Bond Resolution. The Authority Pooled Program Bonds and the Authority Pooled Program Notes are hereby authorized for issuance in the aggregate principal amount not to exceed $37,700,000 outstanding at any one time. The Authority Pooled Program Notes are hereby authorized for issuance in the aggregate principal amount not to exceed $_____. The not to exceed $_____ aggregate principal amount of Authority Pooled Program Bonds and the not to exceed $_____ aggregate principal amount of Authority Pooled Program Notes maturing at the times and in the amounts as set forth in Section 2.03(2)(a) hereof and authorized hereby shall be entitled to the benefits of the County Guaranty and shall be further designated as "County of Morris Guaranteed Authority Pooled Program Bonds, Series 2011" and "County of Morris Guaranteed Authority Pooled Program Notes, Series 2011."

2. (a) The Authority Pooled Program Bonds shall be dated, and shall bear interest from _____ on the basis of a 360 day year consisting of twelve 30 day months and shall otherwise be payable as provided in Section 3.01 of this Pooled Program Bond Resolution. The Authority Pooled Program Bonds shall mature on the dates and in the principal amounts, and shall bear interest payable semiannually on _____ and _____ in each year, commencing _____, at the respective rates per annum, shown below:

August 15	Principal Amount Maturing	Interest Rate	August 15	Principal Amount Maturing	Interest Rate

* Term Bond

(b) The Authority Pooled Program Notes shall be dated, and shall bear interest from _____ on the basis of a 360 day year consisting of twelve 30 day months and shall otherwise be payable as provided in Section 3.01 of this Pooled Program Bond Resolution.

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The Authority Pooled Program Bonds shall mature on _____ , in the principal amounts of $_____, and shall bear interest at _____%.

3. The Authority Pooled Program Bonds shall be issued in the denomination of one certificate for the aggregate principal amount of each maturity for each Series of Authority Pooled Program Bonds. Purchases of the Authority Pooled Program Bonds will be made initially in book-entry-only form (without certificates) in denominations of $5,000 or any integral multiples of $5,000. Unless the Authority shall otherwise direct, the Authority Pooled Program Bonds shall be lettered and numbered as follows, with such other letter as shall be determined by the Pooled Trustee prefixed to the following letter or numbers. The Authority Pooled Program Bonds shall be lettered and numbered from one upward in order of maturities preceded by the letters and symbol "R-." Subject to the provisions of this Pooled Program Bond Resolution, the form of the Authority Pooled Program Bonds and the Pooled Trustee's certificate of authentication shall be substantially in the form set forth in Section 14.01 hereof.

4. The principal of the Authority Pooled Program Bonds shall be payable to the Holders thereof upon the surrender thereof at the principal corporate trust office of The Bank of New York, West Paterson, New Jersey, as Paying Agent. The principal of all Authority Pooled Program Bonds 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 Pooled Program Bond Resolution. Interest on the Authority Pooled Program Bonds shall be payable by check of the Paying Agent, 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 Pooled Trustee. However, so long as the Authority Pooled Program Bonds are held in book-entry form pursuant to Section 2.04 hereof, the provisions of Section 2.04, to the extent inconsistent herewith, shall govern the payment of principal of, and interest on, the Authority Pooled Program Bonds.

5. (a) The Authority Pooled Program Bonds maturing on or before _____ shall not be subject to optional redemption prior to their stated maturities. The Authority Pooled Program Bonds maturing on or after _____ shall be subject to redemption prior to their stated maturities on or after _____ at the option of the Authority in whole at any time or in part on any Interest Payment Date thereafter at a redemption price equal to 100% of the principal amount to be redeemed, in any case upon the Pooled Trustee's receipt of written notice from the Authority authorizing any such redemption which shall be immediately sent to the Pooled Trustee upon the Authority's receipt of the direction or approval notice from the Applicable Local Unit that all or a portion of the Series 2011A Bonds or the Borough of Rockaway Bonds, to be redeemed in accordance with the Lease Revenue Bond Resolution or the Borough of Rockaway Bond Resolution, as the case may be, and further upon notice of redemption set forth in Article IV hereof.

6. The Authority Pooled Program Bonds maturing _____ are subject to mandatory redemption prior to maturity, through selection by the Pooled Trustee and upon the

giving of notice as provided in this Pooled Program Bond Resolution, in each year set forth in the table below, at a redemption price which is equal to 100% of the principal amount thereof plus interest accrued to the redemption date, and in the following "Sinking Fund Installments" payable in August 15 in the years set forth in the following table:

Authority Pooled Program Bonds maturing
_____, in the amount of $_____

Year	Principal Amount

_____
* Final Maturity

7. (a) The proceeds of the Authority Pooled Program Bonds of $_____ (par amount of the Authority Pooled Program Bonds of $_____ plus accrued interest of $_____ plus original issue premium of $_____ less underwriter's discount of $_____) (the "Proceeds") shall be received by the Pooled Trustee and applied simultaneously with the delivery of such Authority Pooled Program Bonds as follows:.

(b) Deposit in the Purchase Account of the Bond Proceeds Fund $_____ for the purchase of the following series of Lease Revenue Bonds from the Privately Placed Trustee under the Lease Revenue Bond Resolution:

(i) $_____ aggregate principal amount of Lease Revenue Bonds, Series A issued by the Authority on behalf of the County;

(c) Deposit in the Purchase Account of the Bond Proceeds Fund for subsequent wire to the account of the Borough of Rockaway, $_____ for the purchase of the $_____ aggregate principal amount of Borough of Rockaway Bonds (representing par of $_____ plus accrued interest of $_____, plus premium of $_____ less underwriter's discount in the amount of $_____, less costs of issuance of $_____) in accordance with the wire instructions attached hereto as Schedule A;

(d) There shall be transferred to the Privately Placed Trustee, $_____ in the Interest Account of the Debt Service Fund which is an amount equal to interest

accrued on the Lease Revenue Bonds from _____ to the date of their delivery, to be applied to the payment of interest due on the Lease Revenue Bonds on _____ as follows.

(i) $_____ in the County Interest Account

(e) There shall be deposited in the Costs of Issuance Account in Bond Proceeds Fund an amount equal to $_____, for payment of Authority Costs of Issuance incurred in connection with the issuance of the Series 2011 Pooled Bonds, including the Authority's initial Administrative Fee in the amount of $_____.

8. Upon the authentication and delivery of the Authority Pooled Program Bonds, the Authority shall furnish to the Pooled Trustee:

(a) a Certificate of the Chairperson, Chairperson or other Authorized Officer of the Authority, pursuant to Section 148 of the Code, setting forth the expectations of the Authority on the date of such authentication and delivery as to future events and such certification shall set forth the facts and estimates on which such expectations are based and shall state that to the best of the knowledge and belief of such officer of the Authority, the Authority's expectations are reasonable;

(b) an opinion of Bond Counsel to the effect that under existing law (i) interest on the Authority Pooled Program Bonds is excluded from gross income for Federal income tax purposes and (ii) interest on the Authority Pooled Program Bonds and any gain on the sale thereof is exempt from the tax imposed by the New Jersey Gross Income Tax Act; and

(c) opinions of Counsel to the effect that the County has the right and power under the Act, as amended to the date of such opinion, and any other applicable law to finally adopt the County Guaranty, and the County Guaranty has been duly and lawfully authorized and adopted by the County, is in full force and effect and is valid and binding upon the County and enforceable in accordance with its terms, and no other authorization for the County Guaranty is required; provided, that the opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and may state that no opinion is being rendered as to the availability of any particular remedy, but that such limitations do not make the rights and remedies of the Bondholders, taken as a whole, inadequate for the practical realization of the benefits of the County Guaranty.

SECTION 2.04. Additional Bonds.

1. One or more Series of Additional Bonds may be issued by the Authority at any time to refund any Outstanding Bond or Bonds of a particular Series or all of the Bonds of one or more Series. Additional Bonds shall be issued in a principal amount sufficient, together with

other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds, Accounts and Subaccounts under this Pooled Program Bond Resolution required by the provisions of the Supplemental Resolution authorizing such Bonds. Additional Bonds shall be on a parity with and, except as otherwise provided in the Applicable Supplemental Resolution for such Additional Bonds, shall be entitled to the same benefit and security of this Pooled Program Bond Resolution including the pledge of the Trust Estate as the Bonds of the Series of Bonds which are being refunded. Any savings generated by such refunding shall be allocated by crediting the Local Units pursuant to the provisions of the Lease Revenue Bond Resolution in such format as determined by a Certificate of an Authorized Officer of the Authority.

2. Additional Bonds of each Series shall be authenticated and delivered by the Pooled Trustee only upon receipt by the Pooled Trustee (in addition to the documents required by Section 2.02) of:

(a) Instructions to the Pooled Trustee, satisfactory to it, to give due notice of redemption, if applicable, of all the Bonds to be refunded on a redemption date or dates specified in such instructions, subject to the provisions of Section 12.01;

(b) If the Bonds to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, instructions to the Pooled Trustee, satisfactory to it, to mail the notice provided for in Section 12.01 to the Holders of the Bonds being refunded;

(c) Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded together with accrued interest on such Bonds to the redemption date or dates, which moneys shall be held by the Pooled Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) qualifying Investment Securities in such principal amounts of such maturities, bearing such interest and otherwise having such terms and qualifications and any moneys as shall be necessary to comply with the provisions of subsection 2 of Section 12.01, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2 of Section 12.01;

(d) A Certificate of an Authorized Officer of the Authority demonstrating that the aggregate of all Basic Lease Payments and Loan Repayments to become due in each Bond Year during which such Additional Bonds shall be Outstanding shall be sufficient to pay, when due, the principal or Redemption Price of, and interest on, all Bonds Outstanding upon the authentication and delivery of such Series of Additional Bonds;

(e) A verification report of an independent nationally recognized certified public accountant addressed to the Authority and the Pooled Trustee with respect to the matters set forth in (c) and (d) hereof; and

(f) In the event that a forward supply contract is employed in connection with the matters set forth in (c) and (d) hereof, (i) the verification report required by (e) hereof shall expressly state that the adequacy of the irrevocable trust described in (c) hereof to accomplish the issuance of Additional Bonds relies solely on the initial investments and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract, and (ii) the escrow agreement entered into by the Authority pursuant to (c) hereof shall provide that in the event of any discrepancy or differences between the terms of the forward supply contract and the escrow agreement, the terms of the escrow agreement shall be controlling.

3. The proceeds, including accrued interest, of the Additional Bonds of each Series shall be applied simultaneously with the delivery of such Additional Bonds for the purposes of making deposits, if any, in such Funds, Accounts and Subaccounts as shall be provided by the Supplemental Resolution authorizing such Series of Additional Bonds and shall be applied to the refunding purposes thereof in the manner provided in said Supplemental Resolution.

SECTION 2.05. Book Entry System.

1. Except as provided in subparagraph 3 of this Section 2.04, the registered Holder of all of the Authority Pooled Program Bonds shall be, and the Authority Pooled Program Bonds shall be registered in the name of, Cede & Co., as nominee of DTC. Payment of semiannual interest for any Authority Pooled Program Bond shall be made by wire transfer to the account of Cede & Co. on the Interest Payment Date for the Authority Pooled Program Bonds at the address indicated for Cede & Co. in the registry books of the Authority kept by the Pooled Trustee.

2. The Authority Pooled Program Bonds shall be issued initially in the form of a separate single fully registered Authority Pooled Program Bond for each Series in the amount of each separate stated maturity of the Authority Pooled Program Bonds of each such Series. Upon initial issuance, the ownership of each such Authority Pooled Program Bond shall be registered in the registry books of the Authority kept by the Pooled Trustee in the name of Cede & Co., as nominee of DTC. With respect to Authority Pooled Program Bonds registered in the registry books kept by the Pooled Trustee in the name of Cede & Co., as nominee of DTC, the Authority and any Fiduciary shall have no responsibility or obligation to any participant or to any beneficial owner of such Authority Pooled Program Bonds. Without limiting the immediately preceding sentence, the Authority and any Fiduciary shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any participant with respect to any beneficial ownership interest in the Authority Pooled Program Bonds, (ii) the delivery to any participant, any beneficial owner or any other person, other than DTC, of any notice with respect to the Authority Pooled Program Bonds, including any notice of redemption, or (iii) the payment to any participant, any beneficial owner or any other person, other than DTC, of any amount with respect to the principal or Redemption Price of, or interest on, the Authority

Pooled Program Bonds. The Authority and any Fiduciary may treat as, and deem DTC to be, the absolute owner of each Authority Pooled Program Bond for the purpose of payment of the principal or Redemption Price of, and interest on, each such Bond, for the purpose of giving notices of redemption and other matters with respect to such Authority Pooled Program Bonds, for the purpose of registering transfers with respect to such Authority Pooled Program Bonds and for all other purposes whatsoever. The Paying Agent shall pay all principal or Redemption Price of, and interest on, the Authority Pooled Program Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal or Redemption Price of, and interest on, the Authority Pooled Program Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive a Authority Pooled Program Bond evidencing the obligation of the Authority to make payments of principal or Redemption Price of, and interest on, the Authority Pooled Program Bonds pursuant to this Pooled Program Bond Resolution. Upon delivery by DTC to the Pooled Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions hereof, the term "Cede & Co." in this Pooled Program Bond Resolution shall refer to such new nominee of DTC.

3. (a) DTC may determine to discontinue providing its services with respect to the Authority Pooled Program Bonds 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 Authority Pooled Program Bonds if the Authority determines, and shall terminate the services of DTC with respect to the Authority Pooled Program Bonds upon receipt by the Authority and the Fiduciaries of written notice from DTC to the effect that DTC has received written notice from 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 Authority Pooled Program Bonds to the effect, that: (i) DTC is unable to discharge its responsibilities with respect to the Authority Pooled Program Bonds; or (ii) a continuation of the requirement that all of the Outstanding Authority Pooled Program Bonds be registered in the registration books kept by the Pooled Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Authority Pooled Program Bonds.

(c) Upon the termination of the services of DTC with respect to the Authority Pooled Program Bonds pursuant to subsection 2.04(3)(b)(ii) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Authority Pooled Program Bonds pursuant to subsection 2.04(3)(a) or subsection 2.04(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 Authority Pooled Program Bonds shall no longer be restricted to being registered in the registration books kept by the Pooled Trustee in the name of

Cede & Co. as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Authority Pooled Program Bonds shall designate, in accordance with the provisions of Article III hereof.

4. Notwithstanding any other provision of this Pooled Program Bond Resolution to the contrary, so long as any Authority Pooled Program Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal or Redemption Price of, and interest on, such Authority Pooled Program Bond and all notices with respect to such Authority Pooled Program Bond shall be made and given, respectively, to DTC as provided in the representation letter of the Authority and the Pooled Trustee addressed to DTC with respect to the Authority Pooled Program Bonds.

5. In connection with any notice or other communication to be provided to Bondholders pursuant to this Pooled Program Bond Resolution by the Authority or the Pooled Trustee with respect to any consent or other action to be taken by Bondholders, the Authority or the Pooled Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

ARTICLE III
GENERAL TERMS AND PROVISIONS OF AUTHORITY POOLED PROGRAM BONDS

SECTION 3.01. Medium of Payment; Form and Date; Letters and Numbers.

1. The Authority Pooled Program Bonds shall be payable, with respect to interest, principal and Redemption Price, if any, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, except that interest on the Authority Pooled Program Bonds may be paid in accordance with Section 2.03(4) hereof.

2. The Authority Pooled Program Bonds of each Series shall be issued only in the form of fully registered Authority Pooled Program Bonds without coupons. The Authority Pooled Program Bonds of each Series shall be in substantially the form set forth in Section 14.01 hereof or substantially in the form set forth in any Supplemental Resolution authorizing such Series.

3. Each Authority Pooled Program Bond shall be lettered and numbered as provided in this Pooled Program Bond Resolution or any Supplemental Resolution providing for the issuance of the Series of which such Authority Pooled Program Bond is a part and so as to be distinguished from every other Bond.

Authority Pooled Program Bonds of each Series issued on the date of original issuance shall be dated and bear interest from the date set forth in this Pooled Program Bond Resolution or any Supplemental Resolution authorizing such Series of Authority Pooled Program Bonds. Authority Pooled Program Bonds of each Series issued after the date of original issuance shall be dated as of the date set forth in this Pooled Program Bond Resolution or any Supplemental Resolution and shall bear interest from the last Interest Payment Date to which interest has been paid. Interest on each Authority Pooled Program Bond shall be payable from the most recent Interest Payment Date next preceding the date of such Authority Pooled Program Bond to which interest has been paid, unless the date of such Authority Pooled Program Bond is an Interest Payment Date to which interest has been paid, in which case interest shall be payable from such date, or unless the date of such Authority Pooled Program Bond is prior to the first Interest Payment Date on the Authority Pooled Program Bonds, in which case interest shall be payable from the earliest date on which interest shall have accrued on such Series of Authority Pooled Program Bonds, or unless the date of such Authority Pooled Program Bond is between the Record Date and the next succeeding Interest Payment Date, in which case interest shall be payable from such Interest Payment Date.

SECTION 3.02. Legends. The Authority Pooled Program Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Pooled Program Bond Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, the Act, or otherwise, as may be determined by the Authority prior to the authentication and delivery thereof.

SECTION 3.03. Execution and Authentication.

1. The Authority Pooled Program Bonds shall be executed in the name of the Authority by the manual or facsimile signature of the Chairperson or other Authorized Officer of the Authority, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary or Assistant Secretary or other Authorized Officer of the Authority, or in such other manner as may be required or permitted by law. In case any one or more of the Authorized Officers who shall have signed or sealed any of the Authority Pooled Program Bonds shall cease to be such officer before the Authority Pooled Program Bonds so signed and sealed shall have been authenticated and delivered by the Pooled Trustee, such Authority Pooled Program Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Authority Pooled Program Bonds had not ceased to hold such offices. Any Authority Pooled Program Bond of a Series may be signed and sealed on behalf of the Authority by such persons who at the time of the execution of such Authority Pooled Program Bonds shall be duly authorized or shall hold the proper office in the Authority, although at the date borne by the Authority Pooled Program Bonds of such Series such persons may not have been so authorized or have held such office.

2. The Authority Pooled Program Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in this Pooled Program Bond Resolution or in any Supplemental Resolution authorizing such Series of Authority Pooled Program Bonds, executed manually by the Pooled Trustee. Only such Authority Pooled Program Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Pooled Program Bond Resolution and no Authority Pooled Program Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Pooled Trustee. Such certificate of the Pooled Trustee upon any Authority Pooled Program Bond executed on behalf of the Authority shall be conclusive evidence that this Authority Pooled Program Bond so authenticated has been duly authenticated and delivered under this Pooled Program Bond Resolution and that the Holder thereof is entitled to the benefits of this Pooled Program Bond Resolution.

SECTION 3.04. Transfer and Registry.

1. Each Authority Pooled Program Bond shall be transferable only upon the books of the Authority, which shall be kept for that purpose at the principal corporate trust office of the Pooled Trustee, by the Holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Pooled Trustee duly executed by the Holder or his duly authorized attorney. Upon the transfer of any such Authority Pooled Program Bond the Authority shall issue in the name of the transferee a new Authority Pooled Program Bond or Authority Pooled Program Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond.

2. The Authority and each Fiduciary may deem and treat the person in whose name any Authority Pooled Program Bond shall be registered upon the books of the Authority as the absolute owner of such Bond, whether such Authority Pooled Program Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on, such Authority Pooled Program Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Authority Pooled Program Bond to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary.

SECTION 3.05. Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Authority Pooled Program Bonds or transferring Authority Pooled Program Bonds is exercised, the Authority shall execute and the Pooled Trustee shall authenticate and deliver Authority Pooled Program Bonds in accordance with the provisions of this Pooled Program Bond Resolution. All Authority Pooled Program Bonds surrendered in any such exchange or transfer shall forthwith be canceled by the Pooled Trustee. For every such exchange or transfer of Authority Pooled Program Bonds, whether temporary or definitive, the Authority or the Pooled Trustee 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 Pooled Trustee shall be required (a) to transfer or exchange Authority Pooled Program Bonds for a period beginning on the Record Date next preceding an Interest Payment Date for the Authority Pooled Program Bonds and ending on such Interest Payment Date, or for a period of fifteen (15) days (or such lesser period as may be specified in a Supplemental Resolution for a particular Series of Authority Pooled Program Bonds) next preceding the date (as determined by the Pooled Trustee) of any selection of Authority Pooled Program Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Authority Pooled Program Bonds called or tendered for redemption.

SECTION 3.06. Authority Pooled Program Bonds Mutilated, Destroyed, Stolen or Lost. In case any Authority Pooled Program Bond shall become mutilated or be destroyed, stolen or lost, the Authority shall execute, and thereupon the Pooled Trustee shall authenticate and deliver, a new Authority Pooled Program Bond of like Series, maturity and principal amount as the Authority Pooled Program Bonds so mutilated, destroyed, stolen or lost,

in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Authority Pooled Program Bond or in lieu of and substitution for the Authority Pooled Program Bond destroyed, stolen or lost, upon filing with the Pooled Trustee evidence satisfactory to the Authority and the Pooled Trustee that such Authority Pooled Program Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority and the Pooled Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Authority and the Pooled Trustee may prescribe and paying such expenses as the Authority and Pooled Trustee may incur. All mutilated Authority Pooled Program Bonds so surrendered to the Pooled Trustee shall be canceled by it. Any such new Authority Pooled Program Bonds issued pursuant to this Section in substitution for Authority Pooled Program Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Authority Pooled Program Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by, and entitled to equal and proportionate benefits with all other Authority Pooled Program Bonds issued under this Pooled Program Bond Resolution in, any moneys or securities held by the Authority or any Fiduciary for the benefit of the Bondholders of the Applicable Series.

SECTION 3.07. Temporary Authority Pooled Program Bonds.

1. Until the definitive Authority Pooled Program Bonds of any Series are prepared, the Authority may execute, in the same manner as is provided in Section 3.03 hereof, and upon the request of the Authority, the Pooled Trustee shall authenticate and deliver, in lieu of definitive Authority Pooled Program Bonds, but subject to the same provisions, limitations and conditions as the definitive Authority Pooled Program Bonds, one or more temporary Authority Pooled Program Bonds substantially of the tenor of the definitive Authority Pooled Program Bonds in lieu of which such temporary Authority Pooled Program Bond or Authority Pooled Program Bonds are issued, and with such omissions, insertions and variations as may be appropriate to temporary Authority Pooled Program Bonds. The Authority at its own expense shall prepare and execute and, upon the surrender of such temporary Authority Pooled Program Bonds for exchange and the cancellation of such surrendered temporary Authority Pooled Program Bonds, the Pooled Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Authority Pooled Program Bonds of the same aggregate principal amount and Series and maturity as the temporary Authority Pooled Program Bonds surrendered. Until so exchanged, the temporary Authority Pooled Program Bonds shall in all respects be entitled to the same benefits and security as definitive Authority Pooled Program Bonds authenticated and issued pursuant to this Pooled Program Bond Resolution.

2. All temporary Authority Pooled Program Bonds surrendered in exchange either for another temporary Authority Pooled Program Bond or Authority Pooled Program Bonds or for a definitive Authority Pooled Program Bond or Authority Pooled Program Bonds shall be forthwith canceled by the Pooled Trustee.

SECTION 3.08. Cancellation and Destruction of Authority Pooled Program Bonds. All Authority Pooled Program Bonds paid or redeemed, either at or before maturity, shall be delivered to the Pooled Trustee when such payment or redemption is made, and such Authority Pooled Program Bonds, together with all Authority Pooled Program Bonds purchased by the Pooled Trustee, shall thereupon be promptly canceled. Authority Pooled Program Bonds so canceled may at any time be destroyed by the Pooled Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its Authorized Officers describing the Authority Pooled Program Bonds so destroyed, and one executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Pooled Trustee.

ARTICLE IV

REDEMPTION OF AUTHORITY POOLED PROGRAM BONDS PRIOR TO MATURITY

SECTION 4.01 Privilege of Redemption and Redemption Price. Authority Pooled Program Bonds subject to redemption prior to maturity pursuant to this Pooled Program Bond 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 Pooled Program Bond Resolution, the Certificate of an Authorized Officer of the Authority referred to in Section 2.02(1)(e) hereof or any Supplemental Resolution authorizing the Authority Pooled Program Bonds.

SECTION 4.02. Optional and Mandatory Sinking Fund Proceeds Redemption.

A. OPTIONAL REDEMPTION.

1. The Authority Pooled Program Bonds shall be subject to optional redemption in accordance with the provisions of this Pooled Program Bond Resolution, including without limitation, Section 2.03(5) hereof.

2. In the case of any redemption of Authority Pooled Program Bonds at the election of the Authority upon the direction of certain Local Units, the Authority shall give written notice to the Pooled Trustee of its election or direction to so redeem, of the redemption date, and of the principal amounts of the Authority Pooled Program Bonds 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 Pooled Program Bond Resolution).

3. Such notice required under subsection (2) hereof shall be given at least forty-five (45) days prior to the redemption date. In the event notice of redemption shall have been given as provided in Section 4.05, the Authority shall (i) pay or require payment to be made for the Lease Revenue Bonds in accordance with the terms of the Lease Revenue Bond Resolution, and (ii) pay or require Borough of Rockaway to pay, to the Pooled Trustee on or prior to the redemption date an amount in cash which, in addition to other moneys, if any, available therefor and held by the Pooled Trustee, 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 Authority Pooled Program Bonds to be redeemed.

B. MANDATORY SINKING FUND REDEMPTION

1. The Authority Pooled Program Bonds shall be subject to mandatory sinking fund redemption in accordance with the provisions of this Pooled Program Bond Resolution, including, without limitation, Section 203(6) hereof.

SECTION 4.03. Redemption by Pooled Trustee. Whenever by the terms of this Pooled Program Bond Resolution the Pooled Trustee is required to redeem Authority Pooled Program Bonds otherwise than at the election of the Authority, the Pooled Trustee shall select the Authority Pooled Program Bonds to be redeemed, give the notice of redemption as provided in Section 4.05 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 hereof.

SECTION 4.04. Selection of Authority Pooled Program Bonds to be Redeemed.

1. If less than all of the Authority Pooled Program Bonds of any Series of like maturity shall be called for redemption and if the particular Authority Pooled Program Bonds or portions of Authority Pooled Program Bonds to be redeemed shall be selected at random by the Pooled Trustee, such Authority Pooled Program Bonds shall be selected in such manner as the Pooled Trustee in its discretion may deem fair and appropriate; provided, however, that the portion of any Authority Pooled Program Bond of a denomination of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or an integral multiple thereof, and that, in selecting Authority Pooled Program Bonds for redemption, the Pooled Trustee shall treat each Authority Pooled Program Bond as representing that number of Authority Pooled Program Bonds that is obtained by dividing the principal amount of such Authority Pooled Program Bond by the minimum denomination in which Authority Pooled Program Bonds of such Series are authorized to be outstanding after the redemption date.

2. If fewer than all of the Outstanding Authority Pooled Program Bonds of any Series that are stated to mature on different dates are called for redemption at one time on any given redemption date, an Authorized Officer of the Authority shall designate, by maturity, those Authority Pooled Program Bonds which are to be redeemed on any such redemption date by delivering to the Pooled Trustee not earlier than sixty (60) days and no later than forty-five (45) days prior to any such redemption date a Certificate detailing such maturities and the amounts to be redeemed within each such maturity. If the Pooled Trustee has not received the Authority's Certificate by such forty-fifth (45th) day, the Pooled Trustee may select the Authority Pooled Program Bonds to be redeemed in the same manner as those Authority Pooled Program Bonds selected in accordance with Section 4.04(1) hereof.

SECTION 4.05. Notice of Redemption. When Authority Pooled Program Bonds of a Series have been selected for redemption pursuant to any provision of this Pooled Program Bond Resolution, the Pooled Trustee shall give written notice of the redemption of such Authority Pooled Program Bonds in the name of the Authority at the times specified in the second paragraph of this Section, which notice shall set forth: (i) the Series of the Authority Pooled Program Bonds to be redeemed, (ii) the date fixed for redemption, (iii) the Redemption Price to be paid, (iv) that such Authority Pooled Program Bonds will be redeemed at the Principal Office of the Paying Agent, (v) if less than all of such Authority Pooled Program Bonds shall be called for redemption, the CUSIP numbers and other distinctive numbers and letters, if any, of such Authority Pooled Program Bonds to be redeemed, (vi) in the case of Authority Pooled Program Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed, and (vii) with respect to a redemption required under Section 4.02(A) only, a statement that such Authority Pooled Program Bonds will be redeemed only if moneys are made available therefor to the Paying Agent on the redemption date from any source available hereunder. Such notice shall further state that on the redemption date there shall become due and payable the Redemption Price of all Authority Pooled Program Bonds to be redeemed, together with interest accrued to the redemption date, and that, from and after such date, no Bondholders shall have a right to receive accrued interest. In case any Authority Pooled Program Bond is to be redeemed in part only, the notice of redemption that relates to such Authority Pooled Program Bond shall state also that on or after the redemption date, upon surrender of such Bond, the Holder thereof shall be entitled to a new Authority Pooled Program Bond or Authority Pooled Program Bonds of the same Series, bearing interest at the same rate and in aggregate principal amount equal to the unredeemed portion of such Authority Pooled Program Bond.

The notice required to be given by the Pooled Trustee pursuant to this Section shall be sent by first-class mail to the registered owners of the Authority Pooled Program Bonds to be redeemed, at their addresses as they appear on the Authority Pooled Program Bond 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 Authority Pooled Program Bond or portion thereof to the registered owner of such Authority Pooled Program Bond as herein provided or as provided in Section 4.06(2) hereof shall not affect the validity of the proceedings for the redemption of any Authority Pooled Program Bonds for which notice of redemption has been given in accordance with the provisions of this Section.

SECTION 4.06. Payment of Redeemed Authority Pooled Program Bonds.

1. On the date designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Authority Pooled Program Bonds or portions of Authority Pooled Program Bonds called for redemption shall become and be due and payable at the Redemption Price provided for redemption of such Authority Pooled Program Bonds 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 Pooled Trustee

in trust for the holders of such Authority Pooled Program Bonds, then, subject to Section 5.08 hereof, interest on such Authority Pooled Program Bonds or such portions thereof so called for redemption shall cease to accrue, such Authority Pooled Program Bonds or such portions thereof shall cease to be entitled to any benefit or security under this Pooled Program Bond Resolution and the Holders of such Authority Pooled Program Bonds or portions of Authority Pooled Program Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof and the accrued interest thereon and, to the extent provided in Section 4.07 hereof, to receive Authority Pooled Program Bonds for any unredeemed portions of Authority Pooled Program Bonds. Notwithstanding any other provision in this Section 4.06 hereof, upon the Pooled Trustee's receipt of the Certificate contemplated by Section 4.02 hereof, the Authority Pooled Program Bonds or portions thereof called for redemption shall not become due and payable on the applicable redemption date, such Authority Pooled Program Bonds or portions thereof shall continue to bear interest and in every other manner remain Outstanding and the Pooled Trustee shall notify in writing by first-class mail the Holders thereof of such occurrence.

2. With respect to any Authority Pooled Program Bonds to be redeemed which have not been presented for redemption within thirty (30) days after the redemption date, the Pooled Trustee, at the expense of the Applicable Local Unit whose Series of Applicable Privately Placed Bonds have been called for redemption, or if all of the Authority Pooled Program Bonds shall have been called for redemption, at the pro rata expense of all Local Units, shall give a second notice of redemption to the registered owner of any such Authority Pooled Program Bonds which have not been presented for redemption, by certified or registered mail, as of the end of such thirty (30)-day period.

SECTION 4.07. Redemption of Portions of Authority Pooled Program Bonds. In case part but not all of an Outstanding Authority Pooled Program Bond shall be selected for redemption, upon presentation and surrender of such Authority Pooled Program Bond 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 Pooled Trustee shall authenticate and deliver to or upon the order of the registered owner thereof or his attorney or legal representative, without charge therefor, a Authority Pooled Program Bond or Authority Pooled Program Bonds of the same Series bearing interest at the same rate and of any denomination or denominations authorized by this Pooled Program Bond Resolution in aggregate principal amount equal to the unredeemed portion of such Bond.

ARTICLE V

FUNDS AND ACCOUNTS

SECTION 5.01. Creation of Funds and Accounts. The following Funds and separate Accounts within such Funds shall be established, held and maintained for the Authority Pooled Program Bonds:

(a) Bond Proceeds Fund, to be held by the Pooled Trustee, which shall consist of a Purchase Account and a Costs of Issuance Account;

(b) Debt Service Fund, to be held by the Pooled Trustee, which shall consist of an Interest Account and a Principal Account;

(c) General Fund, to be held by the Pooled Trustee; and

(d) Rebate Fund, to be held by the Pooled Trustee.

Each of the Funds, Accounts and Subaccounts created by this Pooled Program Bond Resolution, other than the Rebate Fund is hereby pledged to, and charged with, the payment of the principal or Redemption Price of and interest on the Authority Pooled Program Bonds as the same shall become due.

SECTION 5.02. Bond Proceeds Fund.

1. There shall be deposited (i) into the Cost of Issuance Account of the Bond Proceeds Fund from the proceeds of the Authority Pooled Program Bonds the amounts set forth in Section 2.03(7)(e) hereof and (ii) in the Purchase Account of the Bond Proceeds Fund from the proceeds of the Authority Pooled Program Bonds the amounts set forth in Section 2.03(7)(b) and 2.03(7)(c) hereof. Immediately upon such deposit as set forth in subsection (ii) herein, the Pooled Trustee shall apply all the moneys in the Purchase Account to the purchase of the Series 2011A Bonds, Series 2011A Notes and the Borough of Rockaway Bonds in an amount set forth in a Certificate of an Authorized Officer of the Authority.

2. The Authority shall direct the Trustee to make payments from the Costs of Issuance Account in the manner and on the other terms and conditions as the Authority shall determine to be fair and reasonable in the payment of the particular items of the Costs of Issuance relating to the issuance of a particular Series of Bonds and in accordance with the provisions of the Tax Certificate. Upon the payment of all Costs of Issuance for one or more Series of Bonds issued simultaneously as evidenced by a Certificate of an Authorized Officer of the Authority to such effect, the amounts remaining in the Costs of Issuance Account, if any, shall be transferred to the Privately

Placed Trustee for deposit in the Revenue Fund of the Lease Revenue Bond Resolution as set forth thereto.

SECTION 5.03. Debt Service Fund.

1. No later than each Interest Payment Date (as such term is defined in the Lease Revenue Bond Resolution), the Pooled Trustee shall deposit in the Interest Account of the Debt Service Fund the amount of interest on the Series 2011A Bonds, Series 2011A Notes and the Borough of Rockaway Bonds paid by the paying agent under the Lease Revenue Bond Resolution to the Pooled Trustee, as the registered owner of 100% of the aggregate principal amount of such Bonds.

2. No later than each Principal Payment Date (as such term is defined in the Lease Revenue Bond Resolution), the Pooled Trustee shall deposit in the Principal Account of the Debt Service Fund the amount of interest on the Series 2011A Bonds, Series 2011A Notes and the Borough of Rockaway Bonds paid by the paying agent under the Lease Revenue Bond Resolution to the Pooled Trustee, as the registered owner of 100% of the aggregate principal amount of such Bonds.

3. On each Interest Payment Date, the Pooled Trustee shall withdraw from the Interest Account of the Debt Service Fund amounts equal to the interest due on the Authority Pooled Program Bonds on such Interest Payment Date. Such moneys shall be transferred from the Pooled Trustee to the Paying Agent and applied by the Paying Agent to the payment of the interest due on such Interest Payment Date in accordance with the terms of this Pooled Program Bond Resolution. Any funds remaining on deposit in the Series 2011 Interest Subaccount of the Interest Account shall be immediately transferred to the General Fund.

4. On each Principal Payment Date, the Pooled Trustee shall make available to the Paying Agent from moneys in the Principal Account of the Debt Service Fund an amount which is equal to the principal of the Authority Pooled Program Bonds due on such Principal Payment Date. Such moneys shall be transferred from the Pooled Trustee to the Paying Agent and applied by the Paying Agent to the payment of the principal due on such Principal Payment Date in accordance with the terms of this Pooled Program Bond Resolution. Any funds remaining on deposit in the 2011 Principal Subaccount of the Principal Account shall be immediately transferred to the General Fund.

5. (a) On any Interest Payment Date or any Principal Payment Date, to the extent moneys on deposit in the respective Interest Accounts and Principal Accounts are insufficient to make any payment of interest or principal on the respective Series of Authority Pooled Program Bonds due on any such Interest Payment Date or Principal Payment Date and after the Pooled Trustee has made inquiry of the Privately Placed Trustee and the Paying Agent no later than 9:15 a.m. on any such date as to the availability of payment of the principal of and

interest on the Applicable Bonds from any source under the Lease Revenue Bond Resolution or the Borough of Rockaway Bond, with respect to any Applicable Series of Authority Pooled Program Bonds, the Pooled Trustee shall immediately notify the County of any such deficiency in the respective Interest Accounts or Principal Accounts created hereunder, as the case may be, and the County shall, in accordance with the terms of the County Guaranty, immediately forward the amount of such deficiency to the Pooled Trustee no later than 11:00 a.m. on such Interest Payment Date or Principal Payment Date.

Upon its receipt of payments under the County Guaranty, the Pooled Trustee shall, similar to subsections 3 or 4, as applicable, above, make such moneys available to the Paying Agent for prompt payment of the interest on or the principal of such Applicable Series of Authority Pooled Program Bonds no later than such Interest Payment Date or Principal Payment Date. To the extent the Pooled Trustee is aware of any such deficiency in Local Unit payments at any time during which any such Local Unit payments are deficient in whole or in part, the Pooled Trustee shall (i) keep the County continuously informed of same, (ii) notify the County, in writing via telecopy or other similar medium two (2) Business Days immediately preceding any such Interest Payment Date or Principal Payment Date, as the case may be, (a) of such deficiency and (b) of the County's obligation to pay such deficiency to the Pooled Trustee in case such deficiency remains, in whole or in part, on any such immediately succeeding Interest Payment Date or Principal Payment Date, as the case may be, and (iii) make all arrangements with the County in order for the County to make timely payment of any such Local Unit payment deficiency on any such Interest Payment Date or Principal Payment Date, as the case may be.

(b) To the extent the County has paid principal of or interest on either Series of Authority Pooled Program Bonds under its County Guaranty or to the extent a Local Unit has paid principal of or interest on Privately Placed Bonds under their respective Local Unit Guaranties, moneys received by the Pooled Trustee from the Local Units representing past due Basic Lease Payments or Authority Pooled Program Bond Loan Repayments, as the case may be, including any interest thereon at the Overdue Rate under such Project Lease Agreement or Loan Agreement, which past due status caused the County to pay under its County Guaranty or any such Local Unit to pay under its Local Unit Guaranty, shall be forwarded (i) first, to the County to the extent of any such payment by the County, (ii) second, to the Local Unit which has made payment of principal of or interest on the Privately Placed Bonds under its Local Unit Guaranty as a result of any such deficiency, to the extent of such payment, (iii) third, to the Authority to the extent of the Overdue Rate, and (iv) fourth, to the Privately Placed Trustee for deposit in the Applicable Local Unit Revenue Account.

SECTION 5.04. Reserved.

SECTION 5.05. Reserved.

SECTION 5.06. Reserved.

SECTION 5.07. General Fund. On the first day of each Bond Year beginning August 15, 2004, the Pooled Trustee shall deposit in the General Fund all moneys then remaining in the Debt Service Fund and not earmarked to a particular payment. Moneys on deposit in the General Fund may be applied by the Authority upon written requisition from the Authority to the Pooled Trustee, in accordance with the Act for any of its corporate purposes. Such requisition shall state that the Authority is requesting such moneys pursuant to the provisions of this Section.

SECTION 5.08. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Pooled Trustee or the Paying Agent for the account of any Fund, Account or Subaccount that is established under any provision of this Pooled Program Bond Resolution for the Authority Pooled Program Bonds in accordance with the terms of this Pooled Program Bond Resolution, other than the Rebate Fund, shall be held by the Pooled Trustee or the Paying Agent, as the case may be, in trust for the Holders of the Authority Pooled Program Bonds and shall constitute part of the Trust Estate while held by the Pooled Trustee or the Paying Agent. Notwithstanding the prior provisions of this Section 5.08, moneys deposited with or held by the Pooled Trustee or the Paying Agent for the payment of the principal of or interest on Authority Pooled Program Bonds on or after the date on which such amounts shall have become due shall be held and applied solely for the payment of such Authority Pooled Program Bonds or the payment of such interest.

SECTION 5.09. Investments. All moneys in any of the Funds, Accounts and Subaccounts created under this Pooled Program Bond Resolution shall be invested by the Pooled Trustee as directed by the Authority in writing, subject to the further provisions of this Section. The Pooled Trustee may conclusively rely upon such written direction of the Authority as to any and all investments.

Moneys in all Funds, Accounts and Subaccounts created under this Pooled Program Bond Resolution, other than the Debt Service Fund and the Accounts and Subaccounts established therein, shall be invested in Investment Securities, the principal of and the interest on which are payable not later than the dates on which it is estimated, by the Authority, that such moneys will be required hereunder. Moneys in the Debt Service Fund and the Accounts and Subaccounts established therein and moneys in any Fund, Account or Subaccount that are to be applied to the payment of any principal or redemption premium of or interest on any Authority Pooled Program Bonds, in connection with any optional redemption authorized under Section 4.02(A) hereunder shall be invested in Investment Securities of the type described in clause (i) of the definition thereof, or any such fund (of the Pooled Trustee or otherwise) consisting wholly of said securities, to the extent rated in the highest rating category by the Rating Agencies.

All interest, profits and other income earned and received by the Pooled Trustee and the Authority, as appropriate, net of any losses suffered (herein called the "net earnings"), from the investment of moneys in any Fund, Account or Subaccount shall be retained in and treated as part of such Fund, Account or Subaccount and applied in accordance with the Sections of this Pooled Program Bond Resolution governing such Funds, Accounts or Subaccounts. For

the purpose of determining the amount in any Fund, Account or Subaccount at any time in accordance with this Pooled Program Bond Resolution, all Investment Securities credited to such Fund, Account or Subaccount shall be valued at the lesser of amortized cost (exclusive of accrued interest) or fair market value.

The Authority may direct the Pooled Trustee to withdraw and utilize earnings in any Fund or Account other than the Interest Account and the Principal Account in the Debt Service Fund to pay into the Rebate Fund held by the Authority any amounts desired by the Authority or required pursuant to the Code to be set aside for rebate to the Internal Revenue Service, as outlined in the Tax Certificate or the Letter of Instructions. The Authority shall submit to the Pooled Trustee a certificate specifying the Fund, Account or Subaccount and the amount of earnings to be withdrawn for purposes of rebate, and the Pooled Trustee shall be entitled to rely on each such certificate in making payments to the Authority.

The Pooled Trustee may act as principal or agent in the acquisition or disposition of any Investment Securities. The Pooled Trustee shall exercise its best efforts to sell at the best price obtainable, or present for redemption, any Investment Securities to the credit of any Fund, Account or Subaccount created under this Pooled Program Bond Resolution, whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from such Fund, Account or Subaccount and the Pooled Trustee shall not be liable for any loss resulting from such necessary sale so made of such investments.

ARTICLE VI

FINANCING DOCUMENTS, BOND PURCHASE AGREEMENT, CONTINUING DISCLOSURE AND OFFICIAL STATEMENTS

SECTION 6.01. Form of Financing Documents. The Authority hereby authorizes the Chairperson to enter into the Financing Documents to be executed by the Authority in the forms thereof attached hereto as Exhibit A, with such changes thereto as shall be within the constraints set forth herein and as shall be determined exclusively by the Chairperson after consultation with Counsel, which determination shall be conclusively evidenced by an Authorized Officer's execution and delivery thereof. The Chairperson and any other Authorized Officer shall also take all other actions and execute any other documents, agreements, certificates or other instruments deemed necessary, convenient or desirable by the Chairperson or any such other Authorized Officer to consummate the transactions contemplated hereby and by such Financing Documents; provided, however, that such Financing Documents shall in any event conform in all material respects to the provisions of this Article VI.

SECTION 6.02. Lease Payments and Loan Repayments. The Authority shall establish Basic Lease Payments under the Project Lease Agreements and Authority Pooled Program Bond Loan Repayments under the Loan Agreement, in such amounts that, together with any amounts available and required to be treated as credits thereunder or under this Pooled Program Bond Resolution, shall be sufficient to pay the principal and redemption premium, if any, of and the interest on all Series of Bonds as the same become due and payable.

SECTION 6.03. Bond Purchase Agreement. The Authority hereby authorizes the Chairperson to negotiate with an underwriter, which underwriter shall be determined in accordance with the Underwriter Selection Policy, for the sale of all of the Authority Pooled Program Bonds upon terms and conditions to be set forth in a bond purchase agreement, which terms and conditions shall be within the constraints set forth herein and shall be determined exclusively by the Chairperson after consultation with Counsel, which determination shall be conclusively evidenced by the Chairperson's execution and delivery thereof. The Chairperson and any other Authorized Officer shall also take all other actions and execute any other documents, agreements, certificates or other instruments deemed necessary or desirable by the Chairperson or any such other Authorized Officer to consummate the transactions contemplated hereby and by such bond purchase agreement.

SECTION 6.04. Continuing Disclosure. Prior to the issuance of the Authority's Pooled Program Bonds, the Authority, pursuant to the sole discretion of the Chairperson of the Authority, in consultation with Bond Counsel, general counsel and any other applicable advisors to the Authority, shall determine if any Local Unit is a material "obligated person" within the meaning and for the purposes of Rule 15c2-12, based upon the following criteria hereby established as the means of satisfying the meaning and purposes of Rule 15c2-12: Local Units shall be considered to be material "obligated persons" if their debt service payments scheduled to be made pursuant to their Privately Placed Bonds in any fiscal year of the Local Units after June 30, 2004 equal or exceed ten percent (10%) of the debt service scheduled to be paid with respect

to the Authority Pooled Program Bonds in such fiscal year.

In light of the ability of Local Units to prepay their obligations pursuant to the Project Lease Agreements and the Loan Agreements, have such obligations accelerated and to have varying amortization schedules, the Authority shall also make this determination from time to time when circumstances may warrant, such that at no time prior to the final maturity (stated or otherwise) of any such Series of Bonds will a Local Unit that was not originally determined to be a material “obligated person” upon the date of issuance of the Authority Pooled Program Bonds constitute a material “obligated person” subsequently, unless any such Local Unit shall have promptly entered into a Local Unit Continuing Disclosure Agreement with the Authority upon any such subsequent material “obligated person” determination.

Each Local Unit determined by the Authority to be a material "obligated person" based upon the criteria set forth herein shall be required to enter into a Local Unit Continuing Disclosure Agreement, with a term as specified therein, by and among such Local Unit, the Authority and the Pooled Trustee, substantially in the form attached hereto as Exhibit B hereto for Municipal/County Local Units and as Exhibit C hereto for School District Local Units, with such changes therein as shall be approved by the Authority, as evidenced by the execution thereof by an Authorized Officer of the Authority. The obligations of the respective obligated Local Units under any such Local Unit Continuing Disclosure Agreement shall commence in the fiscal year following the fiscal year when the debt service payments scheduled to be made by such obligated Local Unit pursuant to its Applicable Privately Placed Bond equals or exceeds ten percent (10%) of the debt service scheduled to be paid with respect to the Authority Pooled Program Bonds in such fiscal year, and shall terminate in the fiscal year following the fiscal year when the payments scheduled to be made by any such obligated Local Unit pursuant to its Local Unit Refunding Bond no longer equals or exceeds ten percent (10%) of the debt service scheduled to be paid with respect to the Authority Pooled Program Bonds in such fiscal year. Upon any such termination, such obligated Local Unit shall provide notice of such termination in accordance with the terms of the applicable Local Unit Continuing Disclosure Agreement.

The County is hereby determined by the Authority to be an “obligated person” for purposes of Rule 15c2-12 in its capacity as issuer of the County Guaranty.

The Authority hereby determines that it is not an "obligated person". Nevertheless, the Authority hereby covenants to provide notice of Bond Disclosure Events (as defined in the Local Unit Continuing Disclosure Agreements), if material, with respect to the Authority Pooled Program Bonds to each Nationally Recognized Municipal Securities Information Repository recognized by the SEC or to the Municipal Securities Rulemaking Board and the State Information Depository, if any, recognized by the SEC.

Notwithstanding any provision to the contrary in Article XI hereof, the Authority may amend or supplement this Section 6.06 to comply with any amendment, supplement, modification, termination or other change to Rule 15c2-12.

SECTION 6.05. Preliminary Official Statement.

1. The Chairperson is hereby authorized and directed, upon satisfaction of all of the legal conditions precedent to the delivery of the preliminary official statement relating to the Authority Pooled Program Bonds by the Authority, as determined by the Chairperson in consultation with the Counsel to the Authority, to deliver a preliminary official statement in the form and with such provisions as the Chairperson, after consultation with Counsel to the Authority, deems in his sole discretion to be necessary or desirable for the delivery thereof, which delivery thereof by the Chairperson shall conclusively evidence his consent to the provisions thereof.

2. The Chairperson is hereby authorized and directed to execute any certificate or document relating to any statutes, rules or other procedures of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board or any state securities entity that the Chairperson, after consultation with Counsel to the Authority, deems necessary or desirable to effect the issuance of the Authority Pooled Program Bonds and the transactions contemplated by the preliminary official statement.

SECTION 6.06. Official Statement. The Chairperson is hereby authorized and directed to execute and deliver a final official statement in substantially similar form to the preliminary official statement, with such changes to reflect the final pricing as set forth in the bond purchase agreement as the Chairperson, after consultation with the Chairperson of and Counsel to the Authority, deems necessary or desirable to effect the issuance of the Authority Pooled Program Bonds and the transactions contemplated by the final official statement.

ARTICLE VII

DEFAULTS UNDER PRIVATELY PLACED BONDS

SECTION 7.01. Defaults Under Privately Placed Bonds. The Pooled Trustee shall notify the Authority and the County of its failure to receive any payment of principal, redemption premium, if any, of or interest on the Privately Placed Bonds or of any other Event of Default under the Privately Placed Bonds known to the Pooled Trustee.

After the occurrence of any Event of Default under any Privately Placed Bond, the Pooled Trustee shall subject to any direction of the Authority, diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of the rights of the registered owners of 100% of the Privately Placed Bonds, including (without limitation) the prompt payment of all principal and redemption premium, if any, of and interest on the Privately Placed Bonds, and the observance and performance of all duties, covenants, obligations and agreements, thereunder.

ARTICLE VIII

GENERAL COVENANTS

SECTION 8.01. Payment of Authority Pooled Program Bonds; Special Obligations of Authority. The Authority shall pay or cause to be paid the principal of and interest on the Authority Pooled Program Bonds on the date, at the place and in the manner provided herein, in the Applicable Supplemental Resolution and in such Authority Pooled Program Bonds, according to the true intent and meaning thereof; provided, however, that the Authority Pooled Program Bonds are special obligations of the Authority, the principal of and interest on which are payable solely from the Trust Estate.

The Authority Pooled Program Bonds of each Series shall not be payable from the general funds of the Authority and shall not constitute a legal or equitable pledge of, or lien or encumbrance upon, any of the assets or property of the Authority or upon any of its income, receipts or revenues, except as provided in this Pooled Program Bond Resolution. The full faith and credit of the Authority are not pledged, either expressly or by implication, to the payment of the Authority Pooled Program Bonds. The Authority has no taxing power and has no claim on any revenues or receipts of the State of New Jersey or any agency or political subdivision thereof other than the County (but solely to the extent of the County Guaranty) or of the Local Units.

SECTION 8.02. Observance and Performance of Duties, Covenants, Obligations and Agreements; Representations as to Authorization and Validity of the Authority Pooled Program Bonds. The Authority shall faithfully observe and perform at all times all of its duties, covenants, obligations and agreements contained in the Project Lease Agreements, the Loan Agreement or in any Authority Pooled Program Bond executed, authenticated and delivered under this Pooled Program Bond Resolution and any Supplemental Resolution or in any proceedings of the Authority pertaining thereto.

The Authority represents and covenants that: (i) it is duly authorized under the Constitution and laws of the State of New Jersey, particularly the Act, to issue the Authority Pooled Program Bonds of each Series, to enter into the Project Lease Agreements, the Loan Agreement and to pledge the Trust Estate in the manner and to the extent set forth in this Pooled Program Bond Resolution and as shall be set forth in any Supplemental Resolution; (ii) all action on its part for the issuance of the Authority Pooled Program Bonds will be duly and effectively taken; and (iii) the Authority Pooled Program Bonds in the hands of the Holders thereof will be valid and binding special obligations of the Authority enforceable according to their terms.

SECTION 8.03. Liens, Encumbrances and Charges. The Authority shall not create or cause to be created and shall not suffer to exist, any lien, encumbrance or charge upon the Trust Estate except the pledge, lien and charge created for the security of Holders of the Authority Pooled Program Bonds. To the extent moneys or securities comprising part of the Trust Estate are received, the Authority will cause to be discharged, or will make adequate provision to

satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands that if unpaid might by law become a lien upon the Trust Estate; provided, however, that nothing contained in this Section shall require the Authority to pay or cause to be discharged, or make provision for, any such lien, encumbrance or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

So long as Authority Pooled Program Bonds shall be Outstanding, the Authority shall not issue any bonds, notes or other evidences of indebtedness, other than such Authority Pooled Program Bonds, secured by any pledge of or other lien or charge on the Trust Estate. Nothing in this Pooled Program Bond Resolution is intended to or shall affect the right of the Authority to issue bonds, notes and other obligations under other resolutions or indentures for any of its other purposes.

SECTION 8.04. Accounts and Audits. The Authority shall keep, or cause to be kept, proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to each Project Lease Agreement, the Loan Agreement, this Pooled Program Bond Resolution and any Supplemental Resolution, which books and accounts (at reasonable hours and subject to the reasonable rules and regulations of the Authority) shall be subject to the inspection of the Pooled Trustee, the Local Units, any Holder of any Authority Pooled Program Bonds or the County or their agents or representatives duly authorized in writing. The Authority shall have the right to cause such books and accounts to be audited annually within ninety (90) days after the end of its fiscal year by a nationally recognized independent certified public accountant selected by the Authority. Annually within thirty (30) days after the receipt by the Authority of the report of such audit, a signed copy of such report shall be furnished to the Pooled Trustee. Such report shall include at least: (i) a statement of all Funds, Accounts and Subaccounts (including investments thereof) held by the Pooled Trustee pursuant to the provisions of this Pooled Program Bond Resolution; (ii) a statement of the moneys or securities comprising the Trust Estate collected in connection with this Pooled Program Bond Resolution; and (iii) a statement that, in making such audit, no knowledge of any default in the fulfillment of any of the terms, covenants or provisions of this Pooled Program Bond Resolution was obtained, or if knowledge of any such default was obtained, a statement thereof.

SECTION 8.05. Further Assurances. The Authority will pass, make, do, execute, acknowledge and deliver any and all such further resolutions, indentures, actions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Pooled Program Bond Resolution and for the better assuring and confirming unto the Holders of Authority Pooled Program Bonds and the County the rights and benefits provided in this Pooled Program Bond Resolution.

SECTION 8.06. Tax Covenants.

1. In connection with the issuance of the Authority Pooled Program Bonds an Authorized Officer of the Authority is authorized to execute on behalf of the Authority (i) the Tax Certificate and (ii) any similar documents relating to the characterization of the Authority Pooled Program Bonds as not being "arbitrage bonds" within the meaning of Sections 103(a)(2) and 148 of the Code.

2. The Authority will make no use of the proceeds of the Authority Pooled Program Bonds which would cause the Authority Pooled Program Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code; and the Authority will direct the Pooled Trustee and all officers having custody or control of the proceeds of the Authority Pooled Program Bonds, throughout the term of the Authority Pooled Program Bonds, to comply with applicable requirements of Section 148(a) of the Code and Treasury Regulations Sections 1.103-13, 1.103-14, 1.103-15, and Treasury Regulations ''1.148-1 through 1.148-12T, so that none of the Authority Pooled Program Bonds will be or become an arbitrage bond; provided that the Pooled Trustee, in following the directions of the Authority, shall have no responsibility to determine whether such investment is in violation of such regulations.

3. In accordance with Treasury Regulation Section 1.103-13(h)(2)(iv), the Authority covenants that it shall require that neither the Local Units nor any person or related persons (within the meaning of Section 147(a)(2) of the Code) to any of the Local Units shall purchase the Authority Pooled Program Bonds, pursuant to an arrangement, formal or informal, in an amount related to the amount of the obligations acquired under the program from such persons by the Authority.

4. In order to maintain the exclusion from gross income for Federal income tax purposes of interest on the Authority Pooled Program Bonds, the Authority shall comply with the provisions of the Code applicable to the Authority Pooled Program Bonds, including without limitation the provisions of the Code relating to the computation of the yield on investments of the Gross Proceeds (as defined in the Letter of Instructions) of the Authority Pooled Program Bonds, reporting of earnings on the Gross Proceeds of the Authority Pooled Program Bonds, and rebate of excess earnings to the Department of the Treasury of the United States of America. In furtherance of the foregoing, the Authority shall comply with the Letter of Instructions, to be delivered by Bond Counsel at the time the Authority Pooled Program Bonds are issued, as to compliance with the Code with respect to the Authority Pooled Program Bonds, as such letter may be amended from time to time, as a source of guidance for achieving compliance with the Code.

5. Any amounts required to be set aside for rebate to the Internal Revenue Service pursuant to the Letter of Instructions or Tax Certificate shall be considered a loss for purposes of determining "net earnings" pursuant to Section 5.09 hereof.

6. The Authority shall not take or permit any action or fail to take any action which would cause the interest on the Authority Pooled Program Bonds to lose the exclusion from gross income for Federal income tax purposes under Section 103 of the Code or cause the interest on the

Authority Pooled Program Bonds to be treated as an item of tax preference under Section 57 of the Code.

7. Notwithstanding any other provision of this Pooled Program Bond Resolution to the contrary, the covenants contained in this Section shall survive the payment of the Authority Pooled Program Bonds and the interest thereon, including any payment or discharge thereof pursuant to Section 12.01 of this Pooled Program Bond Resolution as long as necessary in order to maintain the exclusion from gross income for Federal income tax purposes of interest on the Authority Pooled Program Bonds.

ARTICLE IX

DEFAULT PROVISIONS AND REMEDIES OF POOLED TRUSTEE AND BONDHOLDERS

SECTION 9.01. Defaults; Events of Default. If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default" for the Authority Pooled Program Bonds:

(a) default in the due and punctual payment of any interest on any Authority Pooled Program Bonds of any Series; or

(b) default in the due and punctual payment of the principal or redemption premium, if any, of any Authority Pooled Program Bonds of any Series; or

(c) if (i) the Authority shall be adjudicated a bankrupt or become subject to an order for relief under federal bankruptcy law, (ii) the Authority shall institute a proceeding seeking an order for relief under federal bankruptcy law or seeking to be adjudicated a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or all of its debts under New Jersey bankruptcy or insolvency law, (iii) with the consent of the Authority, there shall be appointed a receiver, liquidator or similar official for the Authority under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or (iv) without the application, approval or consent of the Authority, a receiver, trustee, liquidator or similar official shall be appointed for the Authority under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or (v) a proceeding described in clause (ii) above shall be instituted against the Authority and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) consecutive days; or

(d) if (i) the Authority shall make an assignment for the benefit of creditors, (ii) the Authority shall apply for or seek the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (iii) the Authority shall fail to file an answer or other pleading denying the material allegations of any proceeding filed against it described under clause (ii) of paragraph (c) of this Section, (iv) the Authority shall take any action to authorize or effect any of the actions set forth in paragraph (c) or (d) of this Section, (v) the Authority shall fail to contest in good faith any appointment or proceeding described in paragraph (c) or (d) of this Section or (vi) without the application, or approval or consent of the Authority, a receiver, trustee, examiner, liquidator or similar official shall be appointed for any substantial part of the Authority's property and such appointment shall continue undischarged or such proceedings shall continue undismissed or unstayed for a period of thirty (30) consecutive days; or

(e) the Authority shall default in the performance or observance of any other of the duties, covenants, obligations, agreements or conditions on the part of the Authority to be performed or observed under this Pooled Program Bond Resolution or the Authority Pooled Program Bonds of each Series, which default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall be given to the Authority by the Pooled Trustee or the Bondholders in accordance with Section 9.09 hereof.

SECTION 9.02. Acceleration of Authority Pooled Program Bonds; Remedies. If an Event of Default described in Section 9.01 hereof shall occur for any Series of Authority Pooled Program Bonds, the Pooled Trustee may, and at the written request of the Holders of not less than 25% in aggregate principal amount of the Outstanding Authority Pooled Program Bonds of any such Series shall, by telephonic notice to the Authority (promptly confirmed in writing) declare the principal of all Authority Pooled Program Bonds of such Series then Outstanding to be due and payable; provided, however, that before making such declaration, the Pooled Trustee shall give thirty (30) days notice to the Authority. Upon any such declaration, the Pooled Trustee shall forthwith give notice thereof to the Local Unit for whose benefit such Series of Authority Pooled Program Bonds was issued and the Paying Agent.

At any time after the principal of the Authority Pooled Program Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such Event of Default, or before the completion of the enforcement of any other remedy under this Pooled Program Bond Resolution, the Pooled Trustee, by written notice to the Authority, may annul such declaration and its consequences if: (i) moneys shall have accumulated in the Interest Account and the Principal Account in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Authority Pooled Program Bonds (except the interest accrued on the Authority Pooled Program Bonds since the last Interest Payment Date) and the principal then due on all Authority Pooled Program Bonds (except the principal on any Authority Pooled Program Bonds due solely as a result of any such declaration of acceleration); (ii) moneys shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Pooled Trustee; and (iii) every other default known to the Pooled Trustee in the observance or performance of any duty, covenant, obligation, condition or agreement contained in Authority Pooled Program Bonds or in this Pooled Program Bond Resolution, shall have been remedied to the satisfaction of the Pooled Trustee; provided, however, that such declaration may be annulled only with the written consent of the Holders of not less than 25% in aggregate principal amount of the Authority Pooled Program Bonds that are Outstanding and not then due by their terms. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Upon the occurrence of an Event of Default, the Pooled Trustee shall also have the following rights and remedies:

(a) the Pooled Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal and redemption premium, if any, of and interest on the Authority Pooled Program Bonds then Outstanding;

(b) the Pooled Trustee by action or suit in equity may require the Authority to account as if it were the Trustee of an express trust for the Holders of Authority Pooled Program Bonds; and

(c) upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Pooled Trustee and of the Holders of Authority Pooled Program Bonds under this Pooled Program Bond Resolution, the Pooled Trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate and the issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

If an Event of Default shall have occurred with respect to the Authority Pooled Program Bonds, and if requested so to do by the Holders of a majority in principal amount of the Authority Pooled Program Bonds then Outstanding, and upon being indemnified to its reasonable satisfaction therefor, the Pooled Trustee shall be obligated to exercise such one or more of the rights, remedies and powers conferred by this Section as the Pooled Trustee shall deem most expedient in the interests of the Holders of Authority Pooled Program Bonds.

No right or remedy by the terms of this Pooled Program Bond Resolution conferred upon or reserved to the Pooled Trustee (or to the Holders of Authority Pooled Program Bonds) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to the Pooled Trustee or to such Holders hereunder or now or hereafter existing at law or in equity or by statute other than pursuant to the Act. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Pooled Trustee or by the Holders of any Authority Pooled Program Bonds in default, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

SECTION 9.03. Right of Holders of Authority Pooled Program Bonds to Direct Proceedings. Anything in this Pooled Program Bond Resolution to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of Authority Pooled Program Bonds in default then Outstanding shall have the right at any time during the continuance

of an Event of Default of such Authority Pooled Program Bonds, by an instrument or instruments in writing executed and delivered to the Pooled Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Pooled Program Bond Resolution, or for the appointment of a receiver or any other proceedings hereunder; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of this Pooled Program Bond Resolution.

SECTION 9.04. Application of Moneys. All moneys received by the Pooled Trustee pursuant to any right or remedy given or action taken under the provisions of this Article upon any acceleration of the due date for the payment of the principal of and interest on the Authority Pooled Program Bonds in default (including, without limitation, moneys received by virtue of action taken under the provisions of the Applicable Project Lease Agreement or Loan Agreement, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Pooled Trustee and any other moneys owed to the Pooled Trustee in connection with the Authority Pooled Program Bonds hereunder), shall be applied first, to the payment of the principal and interest then due and unpaid upon the Authority Pooled Program Bonds in default, 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, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Pooled Trustee shall determine, having due regard for the amount of such moneys available for application in the future. Whenever the Pooled Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Pooled Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Pooled Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Holder of any Authority Pooled Program Bond in default until such obligation shall be presented to the Pooled Trustee for appropriate endorsement or for cancellation, as the case may be.

SECTION 9.05. Remedies Vested in the Pooled Trustee. All rights of action (including, without limitation, the right to file proofs of claims) under this Pooled Program Bond Resolution or under any of the Authority Pooled Program Bonds in default may be enforced by the Pooled Trustee without possession of any of the Authority Pooled Program Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Pooled Trustee shall be brought in its name as Pooled Trustee for the equal and ratable benefit of the Holders of all the Outstanding Authority Pooled Program Bonds without the necessity of joining as plaintiffs or defendants any Holders of such Authority Pooled Program Bonds.

SECTION 9.06. Rights and Remedies of Holders of Authority Pooled Program Bonds. No Holder of Authority Pooled Program Bonds of any Series then Outstanding in default shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Pooled Program Bond Resolution or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) an Event of Default shall have occurred, (b) the Owners of not less than 25% in aggregate principal amount of the Authority Pooled Program Bonds then Outstanding of any Series shall have made written request to the Pooled Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) the Holders of such Series shall have offered to the Pooled Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Pooled Trustee shall have refused, or for sixty (60) days after receipt of such request and offer of indemnification shall have failed to exercise the remedies hereinbefore granted, or to institute such action, suit or proceeding in its own name, and such request and offer of indemnity are hereby declared in every case at the option of the Pooled Trustee to be conditions precedent to the execution of the powers and trusts of this Pooled Program Bond Resolution, and to any action or cause of action for the enforcement of this Pooled Program Bond Resolution, or for the appointment of a receiver or for any other remedy hereunder. It is understood and intended that no one or more Holders of the Authority Pooled Program Bonds of any Series shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Pooled Program Bond Resolution by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Holders of all Authority Pooled Program Bonds of any Series then Outstanding; provided, however, that nothing contained in this Pooled Program Bond Resolution shall affect or impair the right of the Holder of any Authority Pooled Program Bond of any Series to enforce the payment of the principal of and interest on such Authority Pooled Program Bond at and after the maturity thereof, or the obligation of the Authority to pay the principal of and interest on each of the Authority Pooled Program Bonds of any such Series issued hereunder to the respective Holders thereof at the time and place, from the source and in the manner expressed in the Authority Pooled Program Bonds of any such Series, in this Pooled Program Bond Resolution and in the Applicable Supplemental Resolution.

SECTION 9.07. Termination of Proceedings. In case the Pooled Trustee or a Holder of a Authority Pooled Program Bond in default shall have proceeded to enforce any right under this Pooled Program Bond Resolution by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Pooled Trustee or such Holder, then and in every such case the Authority, the Pooled Trustee and the Holders of any such Authority Pooled Program Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Pooled Trustee and the Holders of any such Authority Pooled Program Bonds shall continue as if no such proceedings had been taken.

SECTION 9.08. Waivers of Events of Default. The Pooled Trustee may and, upon the written request of the Holders of 25% in aggregate principal amount of all Authority Pooled Program Bonds in default then Outstanding, shall waive any Event of Default which in its opinion shall have been remedied before the completion of the enforcement of any remedy under this Pooled Program Bond Resolution; but no such waiver shall extend to any subsequent or other Event of Default, or impair any rights consequent thereon.

SECTION 9.09. Notice of Certain Defaults; Opportunity of the Authority to Cure Defaults. Anything herein to the contrary notwithstanding, no Default under Section 9.01(e) hereof shall constitute an Event of Default until actual notice of such Default shall be given to the Authority by registered or certified mail by the Pooled Trustee or by the Holders of not less than 25% in aggregate principal amount of all Authority Pooled Program Bonds of any such Series then Outstanding and the Authority shall not have corrected the Default or caused the Default to be corrected within thirty (30) days following the giving of such notice; provided, however, that if the Default be such that it is correctable but cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within the applicable period and diligently pursued until the Default is corrected.

The Authority hereby grants to the Pooled Trustee full authority for the account of the Authority to observe or perform any duty, covenant, obligation or agreement alleged in any alleged Default concerning which notice is given to the Authority under the provisions of this Section in the name and stead of the Authority with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts and with full power of substitution.

ARTICLE X

THE FIDUCIARIES

SECTION 10.01. Appointments, Duties, Immunities and Liabilities of Pooled Trustee. The [Trustee], _____, has been appointed as Pooled Trustee by the Authority. The Pooled Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Pooled Program Bond Resolution and all other agreements with the Authority by executing and delivering to the Authority a written acceptance thereof, and by executing such acceptance, the Pooled Trustee shall be deemed to have accepted such duties and obligations with respect to all the Authority Pooled Program Bonds thereafter to be validly issued, but only, however, upon the terms and conditions set forth in this Pooled Program Bond Resolution, the Project Lease Agreements and the Loan Agreement.

SECTION 10.02. Paying Agents; Appointments.

1. The Pooled Trustee is hereby appointed Paying Agent for the Authority Pooled Program Bonds. The Authority shall appoint one or more Paying Agents for the Authority Pooled Program Bonds of each additional Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 10.13 hereof for a successor Paying Agent.

2. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Pooled Program Bond Resolution by executing and delivering to the Authority and to the Pooled Trustee a written acceptance thereof.

3. Unless otherwise provided, the principal corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the Authority for the payment of the interest on and principal of the Authority Pooled Program Bonds.

4. The Authority may, with the consent of the Paying Agent, enter into agreements with any Paying Agent providing for the payment to the Authority of amounts in respect of interest earned on moneys held by such Paying Agent for the payment of principal of and interest on Authority Pooled Program Bonds. Any such payments to the Authority shall be deposited in the Debt Service Fund and applied as part of the Trust Estate.

SECTION 10.03. Responsibilities of Fiduciaries.

1. The recitals of fact contained herein and in the Authority Pooled Program Bonds 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 representation as to the validity or sufficiency of this Pooled Program Bond Resolution or of any Authority Pooled Program Bonds issued hereunder or as to the security afforded by this Pooled Program Bond Resolution, and no

Fiduciary shall incur any liability in respect thereof. The Pooled Trustee shall, however, be responsible for its representation contained in its certificate on the Authority Pooled Program Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid 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, including without limitation proceeding with ultimate remedies such as foreclosure, or to advance any of its own moneys, unless properly indemnified by the County, the Bondholders, the Local Units or the Authority. Subject to the provisions of subsection 2 of this Section 10.03, no Fiduciary shall be liable in connection with the observance and performance of its duties and obligations hereunder except for its own negligence or willful misconduct.

2. The Pooled 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 obligations and only such duties and obligations as are specifically set forth in this Pooled Program Bond Resolution. In case an Event of Default has occurred (which has not been cured) the Pooled Trustee shall exercise such of the rights and powers granted to it by this Pooled Program Bond Resolution, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of this Pooled Program Bond Resolution relating to action taken or to be taken by the Pooled Trustee or to evidence upon which the Pooled Trustee may rely shall be subject to the provisions of this Section 10.03.

SECTION 10.04. Evidence on Which Fiduciaries May Act.

1. Each Fiduciary, upon receipt of any notice, Supplemental Resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Pooled Program Bond Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Pooled Program Bond Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with Counsel, who may or may not be counsel to the Authority, and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Pooled Program Bond Resolution in good faith and in accordance herewith.

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

3. Except as otherwise expressly provided in this Pooled Program Bond Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Authority to any Fiduciary shall be sufficiently executed in the name of the Authority by an Authorized Officer of the Authority.

4. Whenever any Fiduciary shall receive any notice, Supplemental Resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it via telecopy pursuant to any provision of this Pooled Program Bond Resolution, the Fiduciary shall accept same; provided, however, that the original of any notice, Supplemental Resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Pooled Program Bond Resolution be shall be forwarded to the Fiduciary immediately thereafter.

SECTION 10.05. Compensation. The Authority shall pay each Fiduciary from time to time reasonable compensation for all services rendered under this Pooled Program Bond Resolution, including without limitation the services rendered pursuant to Section 12.01 hereof, and also all reasonable expenses incurred in and about the performance of their powers and duties under this Pooled Program Bond Resolution and each Fiduciary shall have a lien therefor on any and all Funds and Accounts, other than the Rebate Fund, at any time held by it under this Pooled Program Bond Resolution. Subject to the provisions of Section 10.03 hereof, the Authority further agrees to indemnify and save each Fiduciary harmless against any losses, liabilities or expenses (including legal fees) which it may incur in the exercise and performance of its powers, duties and obligations hereunder, and which are not due to its negligence or willful misconduct, and that such indemnity shall survive the payment of the Authority Pooled Program Bonds and the discharge of this Pooled Program Bond Resolution.

SECTION 10.06. Certain Permitted Acts. Any Fiduciary may become the Holder of any Authority Pooled Program Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Authority Pooled Program Bonds of any Series or this Pooled Program Bond Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Authority Pooled Program Bonds of any Series then Outstanding.

SECTION 10.07. Resignation of Pooled Trustee. The Pooled Trustee may at any time resign and be discharged of the duties and obligations created by this Pooled Program Bond Resolution by giving not less than sixty (60) days' written notice to the Authority and the County, and mailing notice thereof to the Holders of the Authority Pooled Program Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation

shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Authority or the Bondholders as provided in Section 10.09 hereof, in which event such resignation shall take effect immediately on the appointment of such successor, or unless a successor shall not have been appointed by the Authority or the Bondholders as provided in Section 10.09 hereof on that date, in which event such resignation shall not take effect until a successor is appointed.

SECTION 10.08. Removal of Pooled Trustee. The Pooled Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Pooled Trustee, and signed by the Holders of a majority in principal amount of the Authority Pooled Program Bonds of each Series then Outstanding or their attorneys-in-fact duly authorized, excluding any Authority Pooled Program Bonds held by or for the account of the Authority. So long as no Event of Default, or any event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Pooled Trustee may be removed at any time for just cause (as determined in the sole judgment of the Authority) by a resolution of the Authority filed with the Pooled Trustee. Any such removal shall take effect upon the day specified in such instrument or concurrent instruments or resolution, as the case may be, unless previously a successor shall have been appointed by the Authority or the Bondholders as provided in Section 10.09 hereof, in which event such resignation shall take effect immediately on the appointment of such successor, or unless a successor shall not have been appointed by the Authority or the Bondholders as provided in Section 10.09 hereof on that date, in which event such resignation shall not take effect until a successor is appointed.

SECTION 10.09. Appointment of Successor Pooled Trustee.

1. In case at any time the Pooled 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 Pooled Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Pooled Trustee, or of its property or affairs, a successor may be appointed by the Authority by a duly executed written instrument signed by an Authorized Officer of the Authority, but if the Authority does not appoint a successor Pooled Trustee within forty-five (45) days then by the Holders of a majority in principal amount of the Authority Pooled Program Bonds of each Series then Outstanding, excluding any Authority Pooled Program Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Pooled Trustee, notification thereof being given to the Authority and the predecessor Pooled Trustee. After such appointment of a successor Pooled Trustee, the Authority shall mail notice of any such appointment made by it or the Bondholders to the Holders of the Authority Pooled Program Bonds then Outstanding and to the County.

2. If in a proper case no appointment of a successor Pooled Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Pooled Trustee shall have given to the Authority written notice as provided in Section 10.07 hereof or after a vacancy in the office of the Pooled Trustee shall have occurred by reason of its inability to act, the Pooled Trustee or the Holder of any Authority Pooled Program Bond may apply to any court of competent jurisdiction to appoint a successor Pooled Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Pooled Trustee.

3. Any Pooled Trustee appointed under the provisions of this Section in succession to the Pooled Trustee shall be a bank or trust company or national banking association, doing business and having its principal office in the City and State of New York or the State of New Jersey, and having capital stock and surplus 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 this Pooled Program Bond Resolution.

SECTION 10.10. Transfer of Rights and Property to Successor Pooled Trustee. Any successor Pooled Trustee appointed under this Pooled Program Bond Resolution shall execute, acknowledge and deliver to its predecessor Pooled Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Pooled 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 Pooled Trustee, with like effect as if originally named as Pooled Trustee; but the Pooled Trustee ceasing to act shall nevertheless, on the written request of the Authority, or of the successor Pooled 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 Pooled Trustee all the right, title and interest of the predecessor Pooled Trustee in and to any property held by it under this Pooled Program Bond Resolution, and shall pay over, assign and deliver to the successor Pooled 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 Pooled Trustee for more fully and certainly vesting in and confirming to such successor Pooled 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 Pooled Trustee shall promptly notify the Paying Agents of its appointment as Pooled Trustee.

SECTION 10.11. 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 (i) shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and (ii) shall be authorized by law

to perform all the duties imposed upon it by this Pooled Program Bond Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

SECTION 10.12. Adoption of Authentication. In case any of the Authority Pooled Program Bonds contemplated to be issued under this Pooled Program Bond Resolution shall have been authenticated but not delivered, any successor Pooled Trustee may adopt the certificate of authentication of any predecessor Pooled Trustee so authenticating such Authority Pooled Program Bonds and deliver such Authority Pooled Program Bonds so authenticated; and in case any of the said Authority Pooled Program Bonds shall not have been authenticated, any successor Pooled Trustee may authenticate such Authority Pooled Program Bonds in the name of the predecessor Pooled Trustee, or in the name of the successor Pooled Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Authority Pooled Program Bonds or in this Pooled Program Bond Resolution provided that the certificate of the Pooled Trustee shall have.

SECTION 10.13. Resignation or Removal of Paying Agent and Appointment of Successor.

1. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Pooled Program Bond Resolution by giving at least sixty (60) days' written notice to the Authority, the Pooled Trustee and the County and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Pooled Trustee and signed by an Authorized Officer of the Authority. Any successor Paying Agent shall be appointed by the Authority with the approval of the Pooled Trustee and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least $20,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all duties imposed upon it by this Pooled Program Bond Resolution.

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

ARTICLE XI

AMENDMENTS

SECTION 11.01. Supplemental Resolutions Effective Upon Filing With the Pooled 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 Pooled Trustee of a copy thereof certified by an Authorized Officer of the Authority, shall be fully effective in accordance with its terms:

(a) To add to the duties, covenants, obligations and agreements of the Authority in this Pooled Program Bond Resolution, other duties, covenants, obligations and agreements to be observed and performed by the Authority which are not contrary to or inconsistent with this Pooled Program Bond Resolution as theretofore in effect;

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

(c) To confirm as further assurance, any security interest, pledge or assignment under this Pooled Program Bond Resolution, and the subjection of the Trust Estate or of any other monies, securities or funds to any security interest, pledge or assignment created or to be created by this Pooled Program Bond Resolution; or

(d) To authorize Bonds of a Series and , in connection therewith, to specify and determine the matters ad things referred to in Article II hereof and any other matters and things relative to such Bonds, including whether to issue Bonds in book-entry form, that are not contrary to or inconsistent with this Pooled Program Bond Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination contained in Article II hereof at any time prior to the first authentication and delivery of such Series of Bonds; or

(d) To comply with the provisions of any federal or state securities law, including, without limitation, the Trust Indenture Act of 1939, as amended, or to comply with Section 103 of the Code, as amended, replaced or substituted.

SECTION 11.02. Supplemental Resolutions Effective Upon Consent of Pooled 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 Pooled Trustee of a copy thereof certified by an Authorized Officer of the Authority, and (ii) the filing with the

Authority of an instrument in writing made by the Pooled Trustee consenting thereto, shall be fully effective in accordance with its terms:

(a) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provisions in this Pooled Program Bond Resolution;

(b) To insert such provisions clarifying matters or questions arising under this Pooled Program Bond Resolution as are necessary or desirable and are not contrary to or inconsistent with this Pooled Program Bond Resolution as theretofore in effect; or

(c) To make any other modification or amendment of this Pooled Program Bond Resolution which will not have a material adverse effect on the interests of Bondholders.

In making any determination under this Section 11.02, the Pooled Trustee may conclusively rely upon an opinion of Counsel.

SECTION 11.03. Supplemental Resolutions Effective With Consent of Bondholders. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by the Bondholders in accordance with and subject to the provisions of Sections 11.06 and 11.07 hereof, which Supplemental Resolution, upon the filing with the Pooled Trustee of a copy thereof certified by an Authorized Officer of the Authority and upon compliance with the provisions of said Sections 11.06 and 11.07, shall become fully effective in accordance with its terms as provided in said Section 11.07. Provided, however, any Supplemental Resolution which by its terms only affects one or more Series of Authority Pooled Program Bonds may be adopted subject to the consent of the Bondholders of the Series of Authority Pooled Program Bonds so affected.

SECTION 11.04. General Provisions.

1. This Pooled Program Bond Resolution shall not be modified or amended in any respect except by a Supplemental Resolution as provided in and in accordance with and subject to the provisions of this Article XI. Nothing contained in this 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 this Pooled Program Bond Resolution or the right or obligation of the Authority to execute and deliver to any Pooled Trustee any instrument which elsewhere in this Pooled Program Bond Resolution it is provided shall be delivered to said Pooled Trustee.

2. Any Supplemental Resolution referred to and permitted or authorized by Section 11.01 or 11.02 hereof may be adopted by the Authority without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time

provided in said Sections, respectively. The copy of every Supplemental Resolution when filed with the Pooled Trustee shall be accompanied by an opinion of Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of this Pooled Program Bond Resolution, is authorized or permitted by this Pooled Program Bond Resolution, and is valid and binding upon the Authority in accordance with its terms.

3. The Pooled Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Sections 11.01, 11.02 or 11.03 hereof and to make all further agreements and stipulations which may be therein contained, and the Pooled Trustee, in taking such action, shall be fully protected in relying on an opinion of Counsel that such Supplemental Resolution is authorized or permitted by the provisions of this Pooled Program Bond Resolution.

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

SECTION 11.05. Mailing. Any provision in this Article for the mailing of a notice or other paper to Holders of Authority Pooled Program Bonds shall be fully complied with if it is mailed, postage prepaid only, to each registered owner of Authority Pooled Program Bonds then Outstanding at his address, if any, appearing upon the registry books of the Authority.

SECTION 11.06. Powers of Amendment by Supplemental Resolution. Unless otherwise permitted under Section 11.01 or Section 11.02 hereof, any modification or amendment of this Pooled Program Bond Resolution and of the rights and obligations of the Authority and of the Holders of the Authority Pooled Program Bonds hereunder, in any particular, may be made only by a Supplemental Resolution with the written consent (i) of the Holders of not less than two-thirds (2/3) in principal amount of the Authority Pooled Program Bonds Outstanding at the time such consent is given and (ii) in case less than all of the several Series of Authority Pooled Program Bonds then Outstanding are affected by the modification or amendment, of the Holders of not less than two-thirds (2/3) in principal amount of the Authority Pooled Program Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Authority Pooled Program Bonds of any specified like Series and maturity remain Outstanding the consent of the Holders of such Authority Pooled Program Bonds shall not be required and such Authority Pooled Program Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Authority Pooled Program Bonds under this Section. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Authority Pooled Program Bond or of any installment of interest thereon or a reduction in the principal amount thereof or in the rate of interest thereon without the consent of the Holder of such obligation, or shall reduce the percentages or otherwise affect the classes of Authority Pooled Program Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Pooled Trustee

without its written assent thereto. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Pooled Program Bond Resolution if the same adversely affects or diminishes the rights of the Holders of Authority Pooled Program Bonds of such Series. The Pooled Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Authority Pooled Program Bonds of any particular Series or maturity would be affected by any modification or amendment of this Pooled Program Bond Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Authority Pooled Program Bonds. For purposes of this Section, the Holders of any Authority Pooled Program Bonds may include the initial Holders thereof, regardless of whether such Authority Pooled Program Bonds are being held for resale.

SECTION 11.07. Consent of Bondholders. The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 11.06 hereof to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Pooled Trustee), together with a request to Holders of Authority Pooled Program Bonds for their consent thereto in form satisfactory to the Pooled Trustee, shall be mailed by the Authority to the Holders of Authority Pooled Program Bonds (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section provided). Such Supplemental Resolution shall not be effective unless and until there shall have been filed with the Pooled Trustee (a) the written consent of the Holders of the percentages of Outstanding Authority Pooled Program Bonds specified in Section 11.06 hereof and (b) an opinion of Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of this Pooled Program Bond Resolution, is authorized or permitted by this Pooled Program Bond Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms. It shall not be necessary that the consents of the Holders of Authority Pooled Program Bonds approve the particular form of wording of the proposed modification or amendment or of the proposed Supplemental Resolution effecting such modification or amendment, but it shall be sufficient if such consents approve the substance of the proposed amendment or modification. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Authority Pooled Program Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 12.02 hereof. A certificate or certificates executed by the Pooled Trustee and filed with the Authority stating that it has examined such proof and that such proof is sufficient in accordance with Section 12.02 hereof shall be conclusive that the consents have been given by the Holders of the Authority Pooled Program Bonds described in such certificate or certificates of the Pooled Trustee. Any such consent shall be binding upon the Holder of the Authority Pooled Program Bonds giving such consent and, anything in Section 12.02 hereof to the contrary notwithstanding, upon any subsequent Holder of such Authority Pooled Program Bonds and of any Authority Pooled Program Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Authority Pooled Program Bonds giving such consent or a subsequent Holder thereof by filing with the Pooled Trustee, prior to the time when the written statement of the

Pooled Trustee hereinafter in this Section 11.07 provided for is filed, such revocation and proof that such Authority Pooled Program Bonds are held by the signer of such revocation in the manner permitted by Section 12.02 hereof. The fact that a consent has not been revoked may likewise be proved by a certificate of the Pooled Trustee filed with the Authority to the effect that no revocation thereof is on file with the Pooled Trustee.

At any time after the Holders of the required percentages of Authority Pooled Program Bonds shall have filed their consents to the Supplemental Resolution, the Pooled Trustee shall make and file with the Authority a written statement that the Holders of such required percentages of such Authority Pooled Program Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Pooled Trustee) has been consented to by the Holders of the required percentages of Authority Pooled Program Bonds and will be effective as provided in this Section 11.07, may be given to Bondholders by the Authority by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 11.07 provided). The Authority shall file with the Pooled Trustee proof of the mailing thereof. A record, consisting of the certificates or statements required or permitted by this Section 11.07 to be made by the Pooled 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 Authority Pooled Program Bonds at the expiration of forty (40) days after the filing with the Pooled Trustee of the proof of the mailings 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 its absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as it may deem expedient.

SECTION 11.08. Modifications or Amendments by Unanimous Consent. The terms and provisions of this Pooled Program Bond Resolution and the rights and obligations of the Authority and of the Holders of the Authority Pooled Program Bonds 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 Authority Pooled Program Bonds then Outstanding, such consent to be given as provided in Section 11.07 hereof except that no notice to Holders of Authority Pooled Program Bonds either by mailing or publication 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 Pooled Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Holders of Authority Pooled Program Bonds.

SECTION 11.09. Exclusion of Authority Pooled Program Bonds. Authority Pooled Program Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Authority Pooled Program Bonds provided for in this Article XI, and the Authority shall not be entitled with respect to such Authority Pooled Program Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the Authority shall furnish the Pooled Trustee a certificate of an Authorized Officer of the Authority, upon which the Pooled Trustee may rely, describing all Authority Pooled Program Bonds so to be excluded.

SECTION 11.10. Notation on Authority Pooled Program Bonds. Authority Pooled Program Bonds authenticated and delivered after the effective date of any Supplemental Resolution pursuant to this Article XI may, and, if the Authority or the Pooled Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Pooled Trustee as to any modification or amendment provided for in such Supplemental Resolution and, in that case upon demand of the Holder of any Authority Pooled Program Bond Outstanding and upon presentation of any Authority Pooled Program Bond for such purpose at the principal corporate trust office of the Pooled Trustee, a suitable notation shall be made on such Bond. If the Authority or the Pooled Trustee shall so determine, new Authority Pooled Program Bonds so modified as to conform, in the opinion of the Pooled Trustee and the Authority, to any modification or amendment contained in such Supplemental Resolution, shall be prepared, authenticated and delivered and upon demand of the Holder of any Authority Pooled Program Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Authority Pooled Program Bonds of the same Series, principal amount, maturity and interest rate then Outstanding, upon surrender of such Authority Pooled Program Bonds. Any action taken as in Article X hereof or this Article XI provided shall be effective and binding upon all Bondholders notwithstanding that the notation is not endorsed on all Authority Pooled Program Bonds.

SECTION 11.11. Effect of Supplemental Resolution. Upon the effective date of any Supplemental Resolution, this Pooled Program Bond Resolution shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, covenants, obligations and agreements under this Pooled Program Bond Resolution of the Authority, the Pooled Trustee and all Holders of Authority Pooled Program Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Resolution shall be deemed to be part of the terms and conditions of this Pooled Program Bond Resolution for any and all purposes.

SECTION 11.12. Notice of Amendments. Promptly after the adoption by the Authority of any Supplemental Resolution, the Pooled Trustee shall mail a notice, setting forth in general terms the substance thereof, to the Bondholders of a Series of Authority Pooled Program Bonds of record as of the last Business Day of the month preceding the date of any such adoption

affected by such amendment. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Resolution.

SECTION 11.13. Consent of County. Notwithstanding anything in this Pooled Program Bond Resolution to the contrary this Pooled Program Bond Resolution shall not be modified, amended or supplemented without the consent of the County.

ARTICLE XII

DEFEASANCE

SECTION 12.01. Defeasance of the Authority Pooled Program Bonds.

1. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Authority Pooled Program Bonds of any Series 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 Authority Pooled Program Bonds and in the Pooled Program Bond Resolution, then the pledge of the Trust Estate, and all duties, covenants, agreements and other obligations of the Authority to the Authority Pooled Program Bondholders of such Series, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Pooled 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 Pooled Trustee shall pay over or deliver to the Authority all moneys or securities held by it pursuant to this Pooled Program Bond Resolution which are not required for the payment of principal or Redemption Price, if applicable, and interest due or to become due on Authority Pooled Program Bonds of any Series 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 any Outstanding Authority Pooled Program Bonds of any Series 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 Pooled Program Bond Resolution, such Authority Pooled Program Bonds shall cease to be entitled to any lien, benefit or security under the Pooled Program Bond Resolution, and all duties, covenants, agreements and obligations of the Authority to the Holders of such Authority Pooled Program Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Notwithstanding any other provision in this Article XII, all duties, covenants, agreements and obligations of the Authority to the Holders relating to the exclusion of interest from gross income of the Holders of such Authority Pooled Program Bonds for Federal income tax purposes shall survive the defeasance of the Authority Pooled Program Bonds.

2. Authority Pooled Program Bonds 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 subsections (3) through (5) of this Section, Outstanding Authority Pooled Program Bonds of any Series 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 Authority Pooled Program Bonds are to be redeemed on any date prior to their stated maturities, the Authority shall have given to the Pooled Trustee instructions in writing accepted by

the Pooled Trustee to mail notice of redemption of such Authority Pooled Program Bonds (other than Authority Pooled Program Bonds of a Series which have been purchased by the Pooled Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Pooled Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (b) there shall have been deposited with the Pooled Trustee either moneys in an amount which shall be sufficient, or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Pooled 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 such Series of Authority Pooled Program Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event such Series of Authority Pooled Program Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Pooled Trustee in form satisfactory to it instructions to mail, as soon as practicable, a notice to the Holders of such Authority Pooled Program Bonds at their last addresses appearing upon the registry books at the close of business on the last business day of the month preceding the month for which notice is mailed that the deposit required by (b) above has been made with the Pooled Trustee and that such Series of Authority Pooled Program Bonds are deemed to have been paid in accordance with this Section 12.01 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection (5) of this Section 12.01, to be available for the payment of the principal or Redemption Price, if applicable, of such Series of Authority Pooled Program Bonds (other than Authority Pooled Program Bonds which have been purchased by the Pooled Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Pooled 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 any Series of Authority Pooled Program Bonds which constitutes less than all of the Outstanding Authority Pooled Program Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Authority Pooled Program Bond. The Pooled Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to this Section 12.01 to the retirement of said Authority Pooled Program Bonds in amounts equal to the unsatisfied balances of any installments of principal with respect to such Authority Pooled Program Bonds, all in the manner provided in this Pooled Program Bond Resolution.

The Pooled Trustee shall, if so directed by the Authority (i) prior to the maturity date of Authority Pooled Program Bonds deemed to have been paid in accordance with this Section 12.01 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 Authority Pooled Program Bonds deemed to have paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Pooled Trustee in respect of such Authority Pooled Program Bonds and redeem or sell Investment Securities so deposited with the Pooled Trustee and apply the proceeds thereof to the purchase of such Authority Pooled Program Bonds and the Pooled Trustee shall immediately thereafter cancel all

such Authority Pooled Program Bonds so purchased; provided, however, that the moneys and Investment Securities remaining on deposit with the Pooled Trustee after the purchase and cancellation of such Authority Pooled Program Bonds shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due or to become due on all Authority Pooled Program Bonds in respect of which such moneys and Investment Securities are being held by the Pooled 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 Authority Pooled Program Bonds deemed to have been paid in accordance with Section 12.01 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 Authority Pooled Program Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, the Authority shall purchase or otherwise acquire any such Authority Pooled Program Bonds and deliver such Authority Pooled Program Bonds to the Pooled Trustee prior to their maturity date or redemption date, as the case may be, the Pooled Trustee shall immediately cancel all such Authority Pooled Program Bonds so delivered; such delivery of Authority Pooled Program Bonds to the Pooled Trustee shall be accompanied by directions from the Authority to the Pooled Trustee as to the manner in which such Authority Pooled Program Bonds are to be applied against the obligation of the Pooled Trustee to pay or redeem Authority Pooled Program Bonds deemed paid in accordance with this Section 12.01. The directions given by the Authority to the Pooled Trustee referred to in the preceding sentence shall also specify the portion, if any, of such Authority Pooled Program Bonds so purchased or delivered and canceled to be applied against the obligation of the Pooled Trustee to pay Authority Pooled Program Bonds deemed paid in accordance with this Section 12.01 upon their maturity date or dates and the portion, if any, of such Authority Pooled Program Bonds so purchased or delivered and canceled to be applied against the obligation of the Pooled Trustee to redeem Authority Pooled Program Bonds deemed paid in accordance with this Section 12.01 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 Authority Pooled Program Bonds as provided in this Section 12.01 the total amount of moneys and Investment Securities remaining on deposit with the Pooled Trustee under this Section 12.01 is in excess of the total amount which would have been required to be deposited with the Pooled Trustee on such date in respect of the remaining Authority Pooled Program Bonds of such Series in order to satisfy clause (b) of this subsection 2 of Section 12.01, the Pooled Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security interest, pledge or assignment securing said Authority Pooled Program Bonds or otherwise existing under this Pooled Program Bond Resolution. Except as otherwise provided in this subsection 2 and in subsection 3 through subsection 5 of this Section 12.01, neither Investment Securities nor moneys deposited with the Pooled Trustee pursuant to this Section nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Authority Pooled Program Bonds; provided that any cash received from such principal or interest payments on such Investment Securities deposited with the Pooled 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 Pooled Trustee, free and clear of any trust, lien or pledge securing said Authority Pooled Program

Bonds or otherwise existing under the Pooled Program Bond Resolution, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Authority Pooled Program Bonds 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 Pooled Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Authority Pooled Program Bonds or otherwise existing under the Pooled Program Bond Resolution.

For the purposes of this Section, Investment Securities shall mean and include only (y) such securities as are described in clause (i) of the definition of "Investment Securities" in Section 1.01 which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or (z) upon compliance with the provisions of subsection 3 of this Section 12.01, such securities as are described in clause (i) of the definition of Investment Securities which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

3. Investment Securities described in clause (z) of subsection 2 of Section 12.01 may be included in the Investment Securities deposited with the Pooled Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 12.01 only if, in making the determination as to whether the moneys and Investment Securities to be deposited with the Pooled Trustee would be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on the Authority Pooled Program Bonds which will be deemed to have been paid as provided in subsection 2 of Section 12.01, such determination is made both (i) on the assumption that the Investment Securities described in clause (z) were not redeemed at the option of the issuer prior to the maturity date thereof and (ii) on the assumptions that such Investment Securities were redeemed by the issuer thereof at its option on each date on which such option could be exercised, that as of such date or dates interest ceased to accrue on such Investment Securities and that the proceeds of such redemption were not reinvested by the Pooled Trustee.

4. In the event that after compliance with the provisions of subsection 3 of Section 12.01 the Investment Securities described in clause (z) of subsection 2 of Section 12.01 are included in the Investment Securities deposited with the Pooled Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 12.01 and any such Investment Securities are actually redeemed by the issuer thereof prior to their maturity date, then the Pooled Trustee at the direction of the Authority shall reinvest the proceeds of such redemption in Investment Securities, provided that the aggregate of the moneys and Investment Securities to be held by the Pooled Trustee, taking into account any changes in redemption dates or instructions to give notice of redemption given to the Pooled Trustee by the Authority in accordance with subsection 5 of Section 12.01, shall at all times be sufficient to satisfy the requirements of clause (b) of subsection 2 of Section 12.01.

5. In the event that after compliance with the provisions of subsection 3 of Section 12.01 the Investment Securities described in clause (z) of subsection 2 of Section 12.01 are included in the Investment Securities deposited with the Pooled Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 12.01, then any notice of redemption to be published by the Pooled Trustee and any set of instructions relating to a notice of redemption given to the Pooled Trustee may provide, at the option of the Authority, that any redemption date or dates in respect of all of any portion of the Authority Pooled Program Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and that redemption dates may be established for any Authority Pooled Program Bonds deemed to have been paid in accordance with this Section 12.01 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment Securities described in clause (z) of subsection 2 of this Section 12.01 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change of redemption date or dates or establishment of redemption date or dates may be made unless, taking into account such changed redemption date or dates or newly established redemption date or dates, the moneys and Investment Securities on deposit with the Pooled Trustee (including any Investment Securities deposited with the Pooled Trustee in connection with any reinvestment of redemption proceeds in accordance with subsection 5 of Section 12.01) pursuant to clause (b) of subsection 2 of Section 12.01 would be sufficient to pay when due the principal and Redemption Price, if applicable, and interest on all Authority Pooled Program Bonds deemed to have been paid in accordance with subsection 2 of Section 12.01.

6. Anything in the Pooled Program Bond Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Authority Pooled Program Bonds which remain unclaimed for six years after the later of (i) the date when such Authority Pooled Program Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption or (ii) the date of deposit of such moneys, 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 Authority Pooled Program Bondholders shall look only to the Authority for the payment of such Authority Pooled Program Bonds; 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 (7) days between publications, in the Authorized Newspapers, 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 12.02. Evidence of Signatures and Ownership of Authority Pooled Program Bonds.

1. Any request, consent, revocation of consent or other instrument which this Pooled Program Bond Resolution or any Supplemental Resolution may require or permit to be signed and executed by the Holders of Authority Pooled Program Bonds of any Series may be in one or more instruments of similar tenor and shall be signed or executed by such Holders of Authority Pooled Program Bonds in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, shall be sufficient for any purpose of this Pooled Program Bond Resolution or any Supplemental Resolution (except as otherwise herein or therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Pooled Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable.

The fact and date of the execution by any Holder of any Authority Pooled Program Bond 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 ownership of Authority Pooled Program Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books maintained by the Authority.

3. Any request or consent by the Holder of any Authority Pooled Program Bond shall bind all future owners of such Authority Pooled Program Bond in respect of anything done or suffered to be done by the Authority or any Pooled Trustee in accordance therewith.

SECTION 12.03. Moneys Held for Particular Authority Pooled Program Bonds. The amounts held by any Fiduciary for the payment of the interest or principal due on any date with respect to particular Authority Pooled Program Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Authority Pooled Program Bonds entitled thereto.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.01. Liability of the Authority Limited to Trust Estate. Notwithstanding anything contained in this Pooled Program Bond Resolution or in the Authority Pooled Program Bonds, the Authority shall not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes in this Pooled Program Bond Resolution, whether for the payment of the principal of, or interest on, the Authority Pooled Program Bonds or for any other purpose of this Pooled Program Bond Resolution. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority that may be made available to it for such purposes.

SECTION 13.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Pooled Program Bond Resolution either the Authority or the Pooled Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the duties, covenants, obligations and agreements contained in this Pooled Program Bond Resolution by or on behalf of the Authority or the Pooled Trustee shall bind and inure to the benefit of the respective successors and assigns thereof, whether so expressed or not.

SECTION 13.03. Limitation of Rights to Parties. Nothing expressed or implied in this Pooled Program Bond Resolution or in the Authority Pooled Program Bonds is intended or shall be construed to give to any person other than the Authority, the Pooled Trustee, the Paying Agents and the Holders of Authority Pooled Program Bonds any legal or equitable right, remedy or claim under or in respect of this Pooled Program Bond Resolution or any duty, covenant, obligation, agreement, condition or provision therein or herein contained; and all such duties, covenants, obligations, agreements, conditions and provisions are and shall be for the sole and exclusive benefit of the Authority, the Pooled Trustee, the Paying Agents and the Holders of Authority Pooled Program Bonds.

SECTION 13.04. Waiver of Notice. Whenever in this Pooled Program Bond Resolution the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 13.05. Destruction of Authority Pooled Program Bonds. Whenever in this Pooled Program Bond Resolution provision is made for the cancellation by the Pooled Trustee and the delivery to the Authority of any Authority Pooled Program Bonds, unless otherwise requested in writing by the Authority, in lieu of such cancellation and delivery, the Pooled Trustee shall destroy such Authority Pooled Program Bonds (in the presence of an officer

of the Authority, if the Authority shall so require), and deliver a certificate of such destruction to the Authority.

SECTION 13.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Pooled Program Bond Resolution or in the Authority Pooled Program Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Pooled Program Bond Resolution or in the Authority Pooled Program Bonds and such invalidity, illegality or unenforceability shall not affect any other provision of this Pooled Program Bond Resolution, and this Pooled Program Bond Resolution shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Pooled Program Bond Resolution and each and every section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Authority Pooled Program Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Pooled Program Bond Resolution may be held illegal, invalid or unenforceable.

SECTION 13.07. Notices. Any notices, certificates or other communications required or permitted to be given herein shall be in writing (unless otherwise specifically required or permitted herein) and shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid to the Authority, the County, the Pooled Trustee, the Paying Agent and the Rating Agency at the addresses set forth below:

(a) Authority: The Morris County Improvement Authority
Administration and Records Building
P.O. Box 900
Morristown, New Jersey 07963-0900

(b) County: County of Morris, New Jersey
Administration and Records Building
P.O. Box 900
Morristown, New Jersey 07963-0900

(c) Trustee and

(d) Rating Agency: Moody's Investors Service
99 Church Street
New York, New York 10007

[00010370-]

Attention:

The Authority, the Pooled Trustee, the Paying Agent and the Rating Agency may designate any further or different address to which subsequent notices and communications shall be sent by giving notice thereof to the other parties hereto.

The Rating Agency shall receive written notice from the Pooled Trustee of any redemption, acceleration or defeasance of the Authority Pooled Program Bonds; any change in the County or the Pooled Trustee or Paying Agent; or of any amendment or supplement to this Pooled Program Bond Resolution, the Authority Pooled Program Bonds, the Project Lease Agreements, the Loan Agreement, or any other agreement executed in connection with the issuance of the Authority Pooled Program Bonds.

SECTION 13.08. Disqualified Authority Pooled Program Bonds. In determining whether the Holders of the requisite aggregate principal amount of Authority Pooled Program Bonds have concurred in any demand, request, direction, consent or waiver under this Pooled Program Bond Resolution, Authority Pooled Program Bonds that are owned or held by or for the account of the Authority or the Local Units, or by any other primary or secondary obligor on the Project Lease Agreements or the Loan Agreement, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Local Units or any other primary or secondary obligor on the Project Lease Agreements or the Loan Agreement, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Authority Pooled Program Bonds so owned that have been pledged in good faith may be regarded as Outstanding for the purpose of this Section if the pledgee shall establish to the satisfaction of the Pooled Trustee the pledgee's right to vote such Authority Pooled Program Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Local Units or any other primary or secondary obligor on the Project Lease Agreements or the Loan Agreement. In case of a dispute as to such right, any decision by the Pooled Trustee taken upon the advice of Counsel shall be full protection to the Pooled Trustee.

SECTION 13.09. Funds, Accounts and Subaccounts. Any Fund, Account or Subaccount required by this Pooled Program Bond Resolution to be established and maintained by the Pooled Trustee may be established and maintained in the accounting records of the Pooled Trustee, either as a Fund, an Account or a Subaccount, and, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, may be treated either as a Fund, an Account or a Subaccount; but all such records with respect to all such Funds, Accounts or Subaccounts shall at all times be maintained in accordance with generally accepted corporate trust industry practice.

SECTION 13.10. Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal or Redemption Price, if any, of, or interest on, the Authority Pooled Program Bonds or be subject to any personal liability or accountability by reason of the issuance thereof, all such liability, if any, being expressly waived and released by each Holder of Authority Pooled Program Bonds by the acceptance of such Authority Pooled Program Bonds, but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Pooled Program Bond Resolution.

SECTION 13.11. The Authority Protected in Acting in Good Faith. In the exercise of the powers of the Authority and its members, officers, employees and agents under this Pooled Program Bond Resolution, the Project Lease Agreements, the Loan Agreement or any other document executed in connection with the Authority Pooled Program Bonds, the Authority shall not be accountable to the Local Units, the Pooled Trustee, the Paying Agent or any Holder for any action taken or omitted by it or its members, officers, employees and agents in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred.

SECTION 13.12. Business Days. Except as otherwise specifically provided herein, if any date specified herein for the payment of any Authority Pooled Program Bond or the performance of any act shall not be a Business Day at the place of payment or performance, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date, and in case any payment of the principal of or interest on any Authority Pooled Program Bond shall be due on a date that is not a Business Day, interest on such principal amount shall cease to accrue on the date on which such payment was due if such payment is made on the immediately succeeding Business Day.

ARTICLE XIV

AUTHORITY POOLED PROGRAM BOND FORMS AND EFFECTIVE DATE

SECTION 14.01. Form of Authority Pooled Program Bonds and Pooled Trustee's Authentication Certificate. Subject to the provisions of this Pooled Program Bond Resolution, the form of the Authority Pooled Program Bonds and the Pooled Trustee's certificate of authentication shall be of substantially the following tenor:

[FORM OF AUTHORITY POOLED PROGRAM BOND]

UNITED STATES OF AMERICA

STATE OF NEW JERSEY

COUNTY OF MORRIS

THE MORRIS COUNTY IMPROVEMENT AUTHORITY

COUNTY OF MORRIS GUARANTEED
AUTHORITY POOLED PROGRAM BONDS, SERIES 2011

NO. RA-_____ **CUSIP_____**

Interest Rate	Maturity Date	Dated Date	Authentication Date
%	_____15, ____	_____, 2011	_____, 2011

Registered Owner: Cede & Co.

Principal Sum: _____ Dollars ($_____)

THE MORRIS COUNTY IMPROVEMENT AUTHORITY (the "Authority"), a public body corporate and politic created and existing under the laws of the State of New Jersey, including the county improvement authorities law constituting Chapter 183 of the Pamphlet Laws of 1960, for the State of New Jersey (the "Act"), acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner stated hereon or registered assigns, on the Maturity Date stated hereon, but solely from the funds pledged therefor, upon presentation and surrender of this bond at the principal corporate trust office of The Bank of New York, West Paterson, New Jersey (such bank and any successors thereto being herein called the "Pooled Trustee" and "Paying Agent"), the Principal Sum stated hereon in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay from such pledged funds on _____ and _____ in each year, commencing _____, until the Authority's obligation with respect to the payment of such Principal Sum shall be discharged to the Registered Owner hereof, interest from the Dated Date stated hereon on such Principal Sum by check of the Paying Agent mailed to such Registered Owner who shall appear as of the fifteenth (15th) day (whether or not such day shall be a Business Day) of the month preceding the month in which such interest payment date occurs on the books of the Authority maintained by the Pooled Trustee. However, so long as the Authority Pooled Program Bonds (as hereinafter defined) are held in book-entry-only form pursuant to the Pooled Program Bond Resolution (as defined herein), the provisions of the Pooled Program Bond

Resolution governing such book entry form shall govern repayment of principal of, and interest on, this bond.

The terms and provisions of this bond and definitions of certain terms used herein may be continued on the pages following the first page hereof and such continued terms and provisions and definitions shall for all purposes have the same effect as though fully set forth on the first page of this bond.

This bond is one of a duly authorized Series of Authority Pooled Program Bonds of the Authority designated "County of Morris Guaranteed Authority Pooled Program Bonds, Series 2011" (herein called the "Authority Pooled Program Bonds"), in the aggregate principal amount of $_____ issued under and in full compliance with the Constitution and statutes of the State of New Jersey, including the Act, and under and pursuant to a resolution authorizing the Authority Pooled Program Bonds adopted by the Board of the Authority on _____, 2011 entitled "Resolution Authorizing the Issuance of County of Morris Guaranteed Authority Pooled Program Bonds, Series 2011 of The Morris County Improvement Authority", as amended and supplemented by a certificate of an authorized officer of the Authority dated _____, 2011, as further amended or supplemented in accordance with the terms thereof (herein called the "Pooled Program Bond Resolution").

All capitalized terms not defined herein shall have the meanings set forth in the Pooled Program Bond Resolution as if fully set forth herein.

As provided in the Pooled Program Bond Resolution, the Authority Pooled Program Bonds are direct and special obligations of the Authority payable solely from the Series 2011 Trust Estate, subject only to the provisions of the Pooled Program Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Pooled Program Bond Resolution. Pursuant to the terms of the Pooled Program Bond Resolution, the Series 2011 Trust Estate has been pledged to the Pooled Trustee for the benefit of the Holders of all of the Authority Pooled Program Bonds issued pursuant to the Pooled Program Bond Resolution.

The Series 2011 Trust Estate under the Pooled Program Bond Resolution includes (with certain exceptions set forth in the Pooled Program Bond Resolution) payments of principal and redemption premium, if any, of and interest on the Authority's "Authority Lease Revenue Bonds, Series 2011A, Authority Lease Revenue Notes, Series 2011A and the “Borough of Rockaway Bonds” (herein collectively called the "Privately Placed Bonds"); payments made under the full, unconditional and irrevocable guaranty (the "County Guaranty") provided by the County of Morris, New Jersey (the "County") of the payment of the principal of and interest on the Authority Pooled Program Bonds, which County Guaranty was made in accordance with the terms of Section 37 of the Act (N.J.S.A. 40:37A-80) and all other applicable law; Funds and Accounts established under the Pooled Program Bond Resolution (with certain exceptions stated therein) including Investment Securities held in any such Fund or Account thereunder; 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 Authority Pooled Program Bonds in accordance with the terms and provisions of the Pooled Program Bond Resolution. Copies of the Pooled Program Bond Resolution and the Program Agreements are on file at the office of the Authority and at the above mentioned office of the Pooled Trustee, and reference is hereby made to the Act, the Pooled Program Bond Resolution and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the Authority Pooled Program Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the Authority Pooled Program Bonds with respect thereto, the terms and conditions upon which the Authority Pooled Program Bonds are issued and may be issued thereunder, the terms and provisions upon which this bond shall cease to be entitled to any lien, benefit or security under the Pooled Program Bond Resolution and for the other terms and provisions thereof. All duties, covenants, agreements and obligations of the Authority under the Pooled Program Bond Resolution may be discharged and satisfied at or prior to the maturity or redemption of this bond if moneys or certain specified securities shall have been deposited with the Pooled Trustee.

The Authority Pooled Program Bonds, are the only Series of bonds authorized for original issuance under the Pooled Program Bond Resolution. Consequently, the aggregate principal amount of Authority Pooled Program Bonds which may be issued under the Pooled Program Bond Resolution is limited, and all Authority Pooled Program Bonds issued under the Pooled Program Bond Resolution are secured by the pledge and covenants made therein. The pledge securing the Privately Placed Bonds was not made for the benefit of the registered owners of the Authority Pooled Program Bonds.

To the extent and in the manner permitted by the terms of the Pooled Program Bond Resolution, the provisions of the Pooled Program Bond Resolution, or any resolution amendatory thereof or supplemental thereto, may be modified or amended by the Authority, with the written consent of the holders of at least two-thirds (2/3) in principal amount of the Authority Pooled Program Bonds Outstanding under the Pooled Program Bond Resolution 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 Authority Pooled Program Bonds of any specified like maturity remain Outstanding under the Pooled Program Bond Resolution, the consent of the holders of such Authority Pooled Program Bonds shall not be required and such Authority Pooled Program Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Authority Pooled Program Bonds. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Authority Pooled Program Bond or of any installment of interest thereon or a reduction in the principal amount thereof or in the rate of interest thereon without the consent of the holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Authority Pooled Program Bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Pooled Trustee or of the Paying Agent without its written assent thereto.

This bond is transferable, as provided in the Pooled Program Bond Resolution, only upon the books of the Authority kept for that purpose at the above mentioned office of the Pooled Trustee, as bond registrar, by the Registered Owner hereof in person, or by such Registered Owner's attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer satisfactory to the Pooled Trustee duly executed by the Registered Owner or such Registered Owner's duly authorized attorney, and thereupon a new fully registered bond or bonds in the same aggregate principal amounts, shall be issued to the transferee in exchange therefor as provided in the Pooled Program Bond Resolution, and upon payment of the charges therein prescribed. The Authority, the Pooled Trustee and the Paying Agent may deem and treat the Registered Owner as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes.

The Authority Pooled Program Bonds shall be subject to redemption prior to their respective maturity dates at the times and under the circumstances set forth in the Pooled Program Bond Resolution.

[ADD REDEMPTION PROVISIONS HERE WHEN FINAL]

The principal of, Redemption Price, if any, and interest on, the Authority Pooled Program Bonds are payable solely from the Series 2011 Trust Estate and neither the State of New Jersey nor any political subdivision thereof, other than the Authority (but solely to the extent of the Series 2011 Trust Estate), and other than the County (but solely to the extent of the County Guaranty) is obligated to pay the principal of, Redemption Price, if any, or interest on, this bond and the issue of which it is one and neither the full faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof, including the Authority (which has no taxing power) other than the County (but solely to the extent of the County Guaranty), is pledged to the payment of the principal of, Redemption Price, if any, or interest on, this bond or the issue of which it is one.

It is hereby certified and recited that all conditions, acts and things required by law and the Pooled Program Bond Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed and that the Series of Authority Pooled Program Bonds of which this is one, together with all other indebtedness of the Authority, complies in all respects with the applicable laws of the State of New Jersey, including, particularly, the Act.

This bond shall not be entitled to any benefit under the Pooled Program Bond Resolution or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Pooled Trustee of the Pooled Trustee's Certificate of Authentication hereon.

IN WITNESS WHEREOF, THE MORRIS COUNTY IMPROVEMENT AUTHORITY has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairperson or Vice Chairperson, and its seal to be impressed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the Dated Date hereof.

THE MORRIS COUNTY IMPROVEMENT AUTHORITY

By:_____
Chairperson or Vice Chairperson

[SEAL]

Attest:

_____
Secretary or Assistant Secretary

[00010370-]

[FORM OF CERTIFICATE OF AUTHENTICATION ON AUTHORITY POOLED PROGRAM BONDS]

POOLED TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the Authority Pooled Program Bonds delivered pursuant to the within mentioned Pooled Program Bond Resolution.

[TRUSTEE], as
Pooled Trustee

By: _____

Authorized Representative

[00010370-]

GUARANTY OF THE COUNTY OF MORRIS, NEW JERSEY

The payment of the principal and redemption premium, if any, of and interest on the within Authority Pooled Program Bond is hereby fully and unconditionally and irrevocably guaranteed by the County of Morris, New Jersey (the "County") in accordance with the provisions of N.J.S.A. 40:37A-80 and the County is unconditionally and irrevocably liable for the payment, when due, of the principal of and interest on this Series 2011 Pooled Program Bond.

IN WITNESS WHEREOF, the County has caused this Guaranty to be executed by the manual or facsimile signature of its Freeholder-Director.

COUNTY OF MORRIS, NEW JERSEY

By:_____
[NAME]
FREEHOLDER-DIRECTOR

[00010370-]

The following abbreviations, when used in the inscription on this bond, shall be construed as though they were written out in full according to applicable laws or regulations (additional abbreviations may also be used though not in the following list):

TEN COM - as tenants in common	UNIF GIFT MIN ACT
TEN ENT - as tenants by the entireties	_____Custodian_____
	(Cust) (Minor)
JT TEN - as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act
	(State)

ASSIGNMENT

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE (FOR COMPUTER RECORD ONLY): _____

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please Print or Typewrite Name and Address of Transferee)

_____

the within bond, and all rights thereunder and hereby irrevocably constitutes and appoints

_____ Attorney, to transfer the within bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranty: Signature:

_____ _____

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank, trust company, national bank association or other banking institution incorporated under the laws of the United States or a state of the United States

NOTICE: The signature of this Assignment must correspond with the name that appears upon the first page of the within bond in every particular, without alteration or enlargement or any change whatever.

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[00010370-]

[00010370-]

SECTION 14.02. Effective Date. This Pooled Program Bond Resolution shall take effect immediately.

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	Yes	No	Abstain	Absent
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

ATTESTATION:

This Resolution was acted upon at the Regular Meeting of the Authority held on July 20, 2011 at the Authority's principal corporate office in Morristown, New Jersey.

Attested to this 20th day of July, 2011

By:_____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of _____, 2011

By: _____
Stephen B. Pearlman, Esq., Partner
Inglesino, Pearlman, Wyciskala & Taylor, LLC
Counsel to the Authority

[00010370-]

EXHIBIT A

Financing Documents

EXHIBIT B

Form of Continuing Disclosure Agreements

RESOLUTION NO. 11-27

RESOLUTION AUTHORIZING THE ISSUANCE OF

AUTHORITY LEASE REVENUE BONDS

OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY

Adopted: July 20, 2011
as amended and supplemented by
a Certificate of an Authorized Officer of the Authority
dated _____, 2011,
as further amended and supplemented by
a Certificate of an Authorized Officer of the Authority
dated _____, 2012

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RESOLUTION AUTHORIZING THE ISSUANCE OF AUTHORITY LEASE REVENUE BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY

WHEREAS, The Morris County Improvement Authority (including any successors and assigns, the "Authority") has been duly created by resolution no. 42 entitled "Resolution of the Board of Chosen Freeholders of Morris County, New Jersey creating the Morris County Improvement Authority" duly adopted by the Board of Chosen Freeholders (the "Morris County Board of Freeholders") of the County of Morris (the "County of Morris") in the State of New Jersey (the "State") on April 10, 2002 as a public body corporate and politic of the State pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act") and other applicable law;

WHEREAS, the Authority is authorized by law, to purchase, lease or otherwise acquire public facilities for the benefit of certain local governmental units located within, without and including the County of Morris;

WHEREAS, the County of Sussex, New Jersey (the “County of Sussex”) does not presently have its own county improvement authority, and therefore the Authority is authorized under the Act to provide the financing for the Town of Newton Project (as defined below) on behalf of the Town of Newton (as defined below);

WHEREAS, the Authority is authorized by law to finance public facilities through the acquisition of debt, including without limitation (i) the general obligation bonds in an aggregate principal amount of approximately $6,000,000 (the "Borough of Rockaway Bond") of the Borough of Rockaway, in the County of Morris (the "Borough of Rockaway"), (ii) the general obligation bonds in a not exceed aggregate principal amount of approximately $7,700,000 (the “Town of Newton Bonds”) of the Town of Newton (the “Town of Newton” and together with the County of Morris and the Borough of Rockaway, the “Local Units”), in the County of Sussex and (iii) bonds of the Authority;

WHEREAS, pursuant to the terms hereof and of the Act, the Authority intends to finance the acquisition and installation of certain capital equipment and the acquisition, construction, renovation and installation of certain property and infrastructure improvements (collectively, the "County of Morris Project") as set forth on Exhibit A to the Property and Infrastructure Lease Purchase Agreement (including a Ground Lease if necessary) to be entered into between the Authority and the County of Morris as a Local Unit in connection herewith (collectively, the "Lease Agreement"), through the issuance of the Authority's "Lease Revenue Bonds, Series 2011A" (the “Initial Lease Revenue Bonds”), the Authority’s “Lease Revenue Notes, Series 2011A (the “Initial Lease Revenue Notes”) the Authority’s “Lease Revenue Bonds, Series 2012 (the “Series 2012 Lease Revenue Bonds”) and any additional bonds or notes in an amount which together with the Initial Lease Revenue Bonds, Initial Lease Revenue Notes and the Series 2012 Lease Revenue Bonds does not exceed $24,000,000 (the “Additional Lease

Revenue Bonds" and together with the Initial Lease Revenue Bonds, the Initial Lease Revenue Notes, and the Series 2012 Lease Revenue Bonds, the "Authority Lease Revenue Bonds");

WHEREAS, the Authority Lease Revenue Bonds, the Borough of Rockaway Bond and the Town of Newton Bonds shall be collectively referred to as the "Privately Placed Bonds";

WHEREAS, the Borough of Rockaway has (i) heretofore issued bond anticipation notes for various projects as set forth in the several bond ordinances (the "Borough of Rockaway Prior Notes") and now desires to refund the Borough of Rockaway Prior Notes and (ii) finally adopted two new bond ordinances for additional projects (collectively the "Borough of Rockaway Project") all as set forth on Exhibit A to an agreement (the "Borough of Rockaway Loan Agreement") by and between the Borough of Rockaway and the Authority;

WHEREAS, the Town of Newton has (i) heretofore issued bonds for various projects as set forth in the several bond ordinances (the "Town of Newton Prior Bonds") and now desires to refund the Town of Newton Prior Bonds and (ii) finance additional projects (collectively the "Town of Newton Project") all as set forth on Exhibit A to an agreement (the "Town of Newton Loan Agreement" and together with the Town of Rockaway Loan Agreement, the "Loan Agreements"; the Loan Agreements and the Lease Agreement shall be collectively referred to as, the "Project Agreements") by and between the Town of Newton and the Authority;

WHEREAS, the Authority Lease Revenue Bonds will be issued pursuant to the terms of the Authority's bond resolution entitled "RESOLUTION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" (the "Lease Revenue Bond Resolution"), the Act and other applicable law;

WHEREAS, (i) the Borough of Rockaway Bonds will be issued pursuant to the several bond ordinances of the Borough of Rockaway, a resolution of the Borough of Rockaway (the "Borough of Rockaway Bond Resolution") and other applicable law and (ii) the Town of Newton Bonds will be issued pursuant to a refunding bond ordinance, several bond ordinances of the Town of Newton, a resolution of the Town of Newton (the "Town of Newton Bond Resolution") and other applicable law;

WHEREAS, pursuant to the terms of the Lease Agreement, the Authority contemplates taking nominal title to the County of Morris Project for the term set forth therein, then leasing the County of Morris Project to the County of Morris for the term set forth therein, at which time the Authority will convey all of its right, title and interest in and to the County of Morris Project to the County of Morris for nominal consideration;

WHEREAS, the principal of, and interest on the Authority Lease Revenue Bonds shall be paid from certain rental payments made by the County of Morris in accordance with the terms of the Lease Agreement and as otherwise set forth herein;

WHEREAS, pursuant to the terms of the Loan Agreements, the Borough of Rockaway and the Town of Newton acquire or retain, as the case may be, all right, title and interest to the Borough of Rockaway Project and the Town of Newton Project, respectively, and the Authority acquires no interest therein except as may be expressly set forth in the Loan Agreements;

WHEREAS, the principal of, and interest on the Borough of Rockaway Bonds and the Town of Newton Bonds shall be paid from general obligation payments of the Borough of Rockaway and the Town of Newton, respectively;

WHEREAS, the Authority shall deposit the proceeds of the Authority Lease Revenue Bonds issued under the Lease Revenue Bond Resolution with a trustee to be designated under the Lease Revenue Bond Resolution (the "Lease Revenue Trustee") to pay the cost of: (i) the acquisition, construction, renovation or installation of the County of Morris Project; (ii) certain accrued interest to the extent set forth in the Lease Revenue Bond Resolution; (iii) certain costs of issuance to be identified in the Lease Revenue Bond Resolution; (iv) capitalized interest on the Authority Lease Revenue Bonds, if any and (v) such other items as shall be set forth in the Lease Revenue Bond Resolution;

WHEREAS, simultaneously with the issuance of the Authority Lease Revenue Bonds, the Authority shall deposit a portion of the proceeds of the Borough of Rockaway Bonds issued under the Borough of Rockaway Bond Resolution and the Town of Newton Bonds issued under the Town of Newton Bond Resolution with the Trustee, as an equity contribution, to pay the cost of: (i) certain accrued interest attributable to either the Borough of Rockaway Bonds or the Town of Newton, as the case may be, to the extent set forth in the Lease Revenue Bond Resolution; (ii) certain costs of issuance attributable to the Borough of Rockaway Bonds and the Town of Newton Bonds to be identified in the Lease Revenue Bond Resolution; (iii) capitalized interest on the Borough of Rockaway Bonds and the Town of Newton Bonds, if any and (iv) such other items as shall be set forth in the Lease Revenue Bond Resolution;

WHEREAS, (i) the Privately Placed Bonds will be purchased with the proceeds from the Authority's "County of Morris Guaranteed Pooled Program Bonds, Series 2011" (the "Initial Pooled Program Bonds", (ii) the Initial Lease Revenue Notes will be purchased with the proceeds from the Authority's "County of Morris Guaranteed Pooled Program Notes, Series 2011" (the "Initial Pooled Program Notes") and (iii) the Series 2012 Lease Revenue Bonds will be purchased with the proceeds from the Authority's "County of Morris Guaranteed Pooled Program Bonds, Series 2012" (the "Series 2012 Pooled Program Bonds" and together with the Initial Pooled Program Bonds and the Initial Pooled Program Notes, the "Pooled Program Bonds") to be issued under the Authority bond resolution entitled "RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED POOLED PROGRAM BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" (the "Pooled Program Bond Resolution" and together with the Lease Revenue Bond Resolution, the "Bond Resolutions");

WHEREAS, the Pooled Program Bonds and the Authority Lease Revenue Bonds shall be collectively referred to as, the "Bonds";

WHEREAS, any notes issued as Series 2011 Bonds may be refunded through the issuance of one or more series of notes or bonds, so long as (i) the principal amount of such notes or bonds, each issued and Outstanding in the aggregate at any one time under and as defined in the hereinafter defined Bond Resolution, does not exceed $37,700,000 and (ii) the interest rates thereon do not exceed the maximum interest rates set forth in the Local Finance Board Application;

WHEREAS, the issuance of the Pooled Program Bonds for the purpose of acquiring the Privately Placed Bonds to finance the Projects shall collectively be referred to as the "Project");

WHEREAS, the principal of, redemption premium, if any, and interest on the Pooled Program Bonds shall be secured by the pledge of the Trust Estate as defined in the Pooled Program Bond Resolution by the Authority to the Trustee named therein (the "Pooled Trustee" and together with the Lease Revenue Trustee, the “Trustees”), which Trust Estate shall include, among other things, the Lease Agreement, the Loan Agreements, the principal of, redemption premium, if any, and interest on the Borough of Rockaway Bond, the payment on which shall be made by the Borough of Rockaway in accordance with the Local Bond Law or other law as applicable, and which shall be made from the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the Borough of Rockaway, without limitation as to rate or amount, and which Borough of Rockaway Bond shall be assigned by the Authority to the Pooled Trustee as further security for the payment of the Initial Pooled Program Bonds in accordance with the terms of the Pooled Program Bond Resolution and the Loan Agreement, the principal of, redemption premium, if any, and interest on the Town of Newton Bonds, the payment on which shall be made by the Town of Newton in accordance with the Local Bond Law or other law as applicable, and which shall be made from the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the Town of Newton, without limitation as to rate or amount, and which Town of Newton Bonds shall be assigned by the Authority to the Pooled Trustee as further security for the payment of the Initial Pooled Program Bonds in accordance with the terms of the Pooled Program Bond Resolution and the Loan Agreements and the principal of, redemption premium, if any, and interest on the Authority Lease Revenue Bonds and which Authority Lease Revenue Bonds shall be assigned by the Authority to the Pooled Trustee as further security for the payment of the Initial Pooled Program Bonds, the Initial Pooled Program Notes and the Series 2012 Pooled Program Bonds in accordance with the terms of the Pooled Program Bond Resolution and the Lease Agreement, which payments under the Lease Agreement shall be made from the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the County of Morris, without limitation as to rate or amount;

WHEREAS, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Pooled Program Bonds, to be issued in one or more series as bond and notes (including the Initial Pooled Program Bonds, the Initial Pooled Program Notes and the Series 2012 Pooled Program Bonds), shall be fully, unconditionally and

irrevocably guaranteed in an aggregate principal amount not to exceed $37,700,000 in accordance with (i) the terms of one or more guaranty ordinances of the County of Morris (which shall in the aggregate total to $37,700,000) to be finally adopted by the Morris County Board of Freeholders, (ii) by a guaranty certificate to be executed by an authorized officer of the County of Morris on the face of each Pooled Program Bond and (iii) as may be required by any rating agency, underwriter, Pooled Program Bond purchaser or other entity that will allow the Authority to sell the Pooled Program Bonds at the lowest possible cost to the Local Units, an agreement setting forth the County of Morris's obligation to make any such guaranty payments in accordance with and within the parameters set forth in this ordinance (collectively, the "County Guaranty"), all pursuant to Section 37 ("Section 37") of the Act (N.J.S.A. 40:37A-80) and other applicable law, which payments shall also be included as part of the Trust Estate applicable to the Pooled Program Bonds pledged by the Authority to the Trustees under the Bond Resolutions;

WHEREAS, in accordance with the terms of the Lease Revenue Bond Resolution, the Pooled Program Bond Resolution, the County Guaranty, the Lease Agreement and the Loan Agreements, the Trustee shall not notify the County of Morris of the possible need for payments from the County of Morris under the County Guaranty to pay all of a portion of the principal of and interest on the Pooled Program Bonds when due until the respective payment dates for the Local Units under their Privately Placed Bonds, Lease Agreement and Loan Agreements shall have passed and the Local Units shall have failed to make their required payments thereunder in full;

WHEREAS, pursuant to the terms of the Lease Agreement and the Loan Agreements, those Local Units constituting "materially obligated persons" within the meaning and for the purposes set forth in Rule 15c2-12 ("Rule 15c2-12") promulgated by the Securities and Exchange Commission (the "SEC") pursuant to the Securities and Exchange Act of 1934, as amended, will be required to enter into those certain "Local Unit Continuing Disclosure Agreements" to be dated as of the first day of the month of issuance of the Privately Placed Bonds (as the same may be amended and supplemented from time to time in accordance with their respective terms, the "Local Unit Continuing Disclosure Agreements") with the Authority and the Trustee, as dissemination agent (the "Dissemination Agent") in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

WHEREAS, pursuant to the terms of the Pooled Program Bond Resolution, as a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12, the County of Morris will be required to enter into that certain "County Continuing Disclosure Agreement" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "County Continuing Disclosure Agreement") with the Dissemination Agent in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

WHEREAS, pursuant to the terms of the Pooled Program Bond Resolution, the Authority (i) shall not be considered a "materially obligated person" within the meaning and for

the purposes set forth in Rule 15c2-12 and (ii) shall be required to provide certain material events notices in accordance with Rule 15c2-12, and accordingly, the Authority (a) may be required to enter into a separate continuing disclosure agreement, or alternatively, may need to execute the Local Unit Continuing Disclosure Agreements and/or the County Continuing Disclosure Agreement, and (b) shall be required to provide such material events notices under the terms of the Local Unit Continuing Disclosure Agreements and the County Continuing Disclosure Agreement, all in order to satisfy the secondary market disclosure requirements of Rule 15c2-12 (the "Authority Continuing Disclosure Agreement" and together with the Local Unit Continuing Disclosure Agreements and the County Continuing Disclosure Agreement, the "Continuing Disclosure Agreements");

WHEREAS, in order to market and sell the Bonds in one or more series, the Authority will have to (i) make an application (the "Local Finance Board Application") to, and seek, obtain, and officially recognize the findings from the Local Finance Board (the "Local Finance Board") in the Department of Local Government Services of the State Department of Community Affairs, all in accordance with N.J.S.A. 40A:5A-6, 7 and 8 of the Local Authorities Fiscal Control Law and in connection with the Authority Lease Revenue Bonds and the Pooled Program Bonds, which Local Finance Board Application, hearing and process shall to the extent permitted by applicable law, incorporate the requests for approval by the Local Finance Board of certain matters related to the Borough of Rockaway Bonds, (ii) authorize the distribution of a preliminary official statement "deemed final" within the meaning and for the purposes of Rule 15c2-12 describing the terms of the Pooled Program Bonds, the Project and the other transactions contemplated hereby (the "Preliminary Official Statement"), (iii) enter into one or more bond purchase agreements with one or more underwriters (the "Underwriter") selected by the Authority in accordance with its policy for the selection of underwriters as established by Authority resolution no 02-10 adopted July 24, 2002 and entitled "RESOLUTION ADOPTING A POLICY FOR THE SELECTION OF UNDERWRITERS AND OTHER ANCILLARY SERVICE PROVIDERS IN CONNECTION WITH THE SALE OF SECURITIES" (the “Underwriter Selection Policy”) and a fair and open process for the sale of all of the Pooled Program Bonds (the "Bond Purchase Agreement"), (iv) execute and deliver a final Official Statement incorporating the terms of the sale of the Pooled Program Bonds and certain other information into the Preliminary Official Statement (the "Official Statement"), (v) obtain the required resolutions and ordinances of the Local Units necessary in order to authorize the Projects and the financing of the Projects through the Pooled Program Bonds (the "Local Unit Official Action"), (vi) cause the Local Units to make certain representations, warranties and covenants concerning the Projects, the Privately Placed Bonds and the other transactions contemplated hereby prior to their respective execution and delivery of the Lease Agreement and Loan Agreements, but no later than the execution and delivery of the Bond Purchase Agreement (the "Local Unit Letter of Representations") and (vii) cause the Local Units to make certain representations, warranties and covenants concerning the applicable Projects and Privately Placed Bonds, the use of the funds attributable to the Projects and the transactions contemplated hereby prior to their respective execution and delivery of the Lease Agreement and Loan Agreements, but no later than the execution and delivery of the Bond Purchase Agreement, all in

connection with preserving the exclusion of the interest of the Bonds from the gross income of the holders thereof for federal income tax purposes (the "Local Unit Tax Letter of Representations" and together with the Preliminary Official Statement, the Bond Purchase Agreement, the Official Statement and the Local Unit Letter of Representations, the "Sale Documents");

WHEREAS, the Authority shall have no obligation with respect to the Project other than the financing thereof; accordingly, the payment of the Privately Placed Bonds shall remain the sole responsibility of the respective Local Units;

WHEREAS, to the extent that the Authority determines it is in the best interest of the Authority, the Borough of Rockaway and the Town of Newton and in order to achieve the greatest economies of scale, the Authority is hereby authorized to issue the Bonds in one or more series to accommodate separate purchases of the Authority Lease Revenue Bonds, the Borough of Rockaway Bonds and the Town of Newton Bonds at different times and in so doing make such changes, including all documentation in connection therewith, all as deemed necessary, convenient or desirable by any such Authorized Officer, in consultation with the Consultants including such modifications thereto as counsel and financial advisor to the Authority and the Borough of Rockaway may advise, such Authorized Officer's execution and delivery thereof of all financing documents in connection with the combined or separate issuance shall be dispositive of any such changes thereto; and

WHEREAS, in accordance with Section 13 ("Section 13") of the Act (N.J.S.A. 40:37A-56), prior to the issuance of the Bonds, the Authority will have made a detailed report of the Project to the Board of Freeholders, which report will include, without limitation, descriptions of the Pooled Program Bond Resolution, the Lease Revenue Bond Resolution, the Bonds, the form of the Lease Agreement, the form of the Ground Lease Agreement, the form of the Loan Agreement, the master forms of the Continuing Disclosure Agreements, and if necessary, desirable or convenient as determined by the Authority and the County of Morris, such other applicable agreements that may include one or more of the Local Finance Board Application or any Sale Documents (collectively, the "Financing Documents").

NOW, THEREFORE, BE IT RESOLVED by The Morris County Improvement Authority as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. Except as otherwise herein defined, each of the capitalized terms used in this Lease Revenue Bond Resolution shall have the same meaning as set forth therefor in the Lease Agreement or the Loan Agreement. With respect to any defined term which is given a different meaning under this Lease Revenue Bond Resolution than under the Lease Agreement or the Loan Agreement, as used herein it shall have the meaning designated below.

(a) The following terms, shall, for all purposes of this Lease Revenue Bond Resolution, have the meanings set forth in the preambles hereof.

Act
Authority
Authority Continuing Disclosure Agreement
Authority Lease Revenue Bonds
Authority Pooled Program Bonds
Board of Freeholders
Bond Purchase Agreement
Borough of Rockaway
Borough of Rockaway Bond Resolution
Borough of Rockaway Bonds
Continuing Disclosure Agreements
County
County Guaranty
County Continuing Disclosure Agreement
Dissemination Agent
Financing Documents
Lease Revenue Bond Resolution
Lease Revenue Projects
Loan Agreement
Local Bond Law
Local Finance Board
Local Finance Board Application
Local Unit Continuing Disclosure Agreements
Local Unit Guaranties
Local Unit Letter of Representations
Local Unit Official Action
Local Unit Tax Letter of Representations
Local Units
Municipal Local Units

Municipal Lease Agreement
Municipal Projects
Official Statement
Other Local Units
Other Lease Agreement
Pooled Program Bond Resolution
Pooled Trustee
Preliminary Official Statement
Privately Placed Bonds
Lease Agreement
Projects
Rule 15c2-12
Sale Documents
School Bond Law
School District Local Units
School Lease Agreement
School Projects
Section 13
SEC
Series 2011 Bonds
Series 2011 Project
State
Trustee
Underwriter
Underwriter Selection Policy

(b) The following terms shall, for all purposes of this Lease Revenue Bond Resolution, have the following meanings:

"Acceptance Certificate" shall mean a certificate in the form attached to the Lease Agreement executed by an Authorized Officer of the Applicable Local Unit.

"Accounts" shall mean any account established in any of the Funds established by Article V hereof.

"Acquisition Account" shall mean any of, as applicable, or collectively, as the case may be, of the Borough of Rockaway Acquisition Account and the County Acquisition Account.

"Acquisition Fund" shall mean the Fund so designated and established by Article V hereof.

"Additional Lease Payments" shall have the meaning set forth in the Lease Agreement.

"Administrative Expense Account" shall mean the Account within the Administrative Fund so designated and established by Article V hereof.

"Administrative Expenses" shall mean the expenses which are incurred by the Authority or the County, including the Administrative Fee, in carrying out their respective rights and duties under the terms of the Lease Agreement, the Loan Agreement, the County Guaranty, the Local Unit Guaranties, this Lease Revenue Bond Resolution or the Pooled Program Bond Resolution, including, without limitation, accounting, administrative, financial advisory and legal expenses and the fees and expenses of the Trustee or the Pooled Trustee, any paying agents or any other fiduciaries or agents acting on behalf of the Authority or the County under or pursuant to the terms of the Lease Agreement, the Loan Agreement, the County Guaranty, the Local Unit Guaranties, this Lease Revenue Bond Resolution or the Pooled Program Bond Resolution.

"Administrative Fee" shall mean (A) with respect to the Series 2011A Bonds, Series 2011A Notes and the Borough of Rockaway Bonds, the sum of $_____ payable to the Authority from a portion of the proceeds of the Series 2011A Bonds, Series 2011A Notes and the Borough of Rockaway Bonds that have been deposited in the Costs of Issuance Account of the Bond Proceeds Fund in the Pooled Program Bond Resolution upon the issuance of such Authority Pooled Program Bonds pursuant to Section 2.03(7)(e) thereof and (B) for all Bond Years thereafter, a sum of money payable by such Local Units to the Trustee as Additional Lease Payments or Interest on the Loan for deposit in the Administrative Expense Account of the Administrative Fund equal to, with respect to each such Local Unit, $____ and with respect to the Borough of Rockaway, $____, and payable by each such Local Unit to the Trustee on the Basic Lease Payment Date immediately preceding the first day of any such Bond Year.

"Administrative Fund" means the Fund so designated and established by Article V hereof.

"Allocable Share" shall mean with respect to any Local Unit, the fraction, the numerator of which is the Outstanding principal amount of Bonds of the Series attributable to such Local Unit and the denominator of which is the Outstanding principal amount of Bonds of all Series issued simultaneously with the Series of Bonds attributable to such Local Unit.

"Applicable" shall mean (i) with reference to any Fund, Account or Subaccount so designated and established by this Lease Revenue Bond Resolution, the Fund, Account or Subaccount so designated and established, (ii) with reference to any Fund, Account or Subaccount so established hereunder and designated with the prefix of a particular Local Unit, the Fund, Account or Subaccount so designated and established for such Local Unit, (iii) with

respect to any Series of Bonds, the Series of Bonds issued for a particular purpose hereunder, (iv) with reference to any Local Unit, the Local Unit under any particular Lease Agreement or Loan Agreement , (v) with reference to any Local Unit Trust Estate, the Local Unit Trust Estate that has been designated hereunder with the prefix of a particular Local Unit and (vi) with reference to any Lease Agreement or Loan Agreement the Lease Agreement or Loan Agreement of or issued for the benefit of any particular Local Unit.

"Authority Pooled Program Bond or Authority Pooled Program Bonds" shall mean the $_____ aggregate principal amount of the Authority's "County of Morris Guaranteed Authority Pooled Program Bonds, Series 2011," authorized for issuance in accordance with the terms of the Act and the Pooled Program Bond Resolution.

"Authorized Newspapers" shall mean (a) one newspaper which is customarily published and generally circulated at least once in each calendar week in the County, and (b) one newspaper which is customarily published in the Borough of Manhattan, City and State of New York, at least once a day for a least five days (other than legal holidays) in each calendar week, each of which newspapers is printed in the English language; provided however that with respect to the redemption of Bonds, "Authorized Newspapers" shall refer only to the newspaper which is described in (b) of this definition.

"Authorized Officer" or "Authorized Representative" shall mean, (1) with respect to the Authority: the Chairperson, the Vice Chairperson, the Treasurer, the Secretary or the Executive Director of the Authority and, when used with reference to an act or document, also means any other person who shall be authorized by resolution or the by-laws of the Authority to perform such act or to execute such document or any other person or persons who shall be authorized by resolution of the Authority to act on behalf of the Authority or by a written certificate duly executed on behalf of the Authority by the Chairperson or by the Executive Director of the Authority, which certificate shall set forth such authorization and shall contain the specimen signatures of each such person; (2) with respect to any Local Unit: the person designated as an Authorized Officer in the Applicable Lease Agreement or Loan Agreement of any such Local Unit or any other person or persons who shall be authorized to act on behalf of such Local Unit by virtue of a resolution, which resolution shall set forth such authorization; (3) with respect to the Trustee: any officer of the Trustee authorized by the Trustee to act or execute documents on behalf of the Trustee; (4) with respect to the Pooled Trustee: any officer of the Pooled Trustee authorized by the Pooled Trustee to act or execute documents on behalf of the Pooled Trustee; and (5) with respect to the County in any capacity other than clause (2) above, the County Administrator of the County and, when used with reference to an act or document, also means any other person who shall be authorized by State statute, resolution, by-laws or Administrative Code of the County to perform such act or to execute such document or any other person or persons who shall be authorized by resolution of the County's Board of Chosen Freeholders to act on behalf of the County or by a written certificate duly executed on behalf of the County by the County Administrator of the County, which certificate shall set forth such authorization and shall contain the specimen signatures of each such person.

"Base Rate" shall have the meaning set forth in the Lease Agreement.

"Basic Lease Payment Date" shall have the meaning set forth in the Lease Agreement.

"Basic Lease Payment" shall have the meaning set forth in the Lease Agreement.

"Authority Pooled Program Bond Loan Repayment" shall the meaning set forth in the Loan Agreement.

"Authority Pooled Program Bond Loan Repayment Date" shall mean the dates set forth in Section 3.03 of the Loan Agreement.

"Board" shall mean the governing body of the Authority, or if said Board shall be abolished, the board, body, commission or agency succeeding to the principle functions thereof or to whom the powers and duties granted or imposed by this Lease Revenue Bond Resolution shall be given by law.

"Bond or Bonds" shall mean the (i) $_____ aggregate principal amount of Authority Lease Revenue Bonds of the Authority bearing interest at the interest rates set forth in Section 2.03(2) hereof, which Bonds are authorized for issuance in accordance with the terms of the Act and Section 2.03(1) of this Lease Revenue Bond Resolution, or any Bonds which are thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 4.07 or 11.10 hereof, and shall be comprised of the Series 2011A Bonds.

"Bond Counsel" shall mean any attorney at law, or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exclusion of interest on bonds or other obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state.

"Bond Year" shall mean with respect to the Series 2011A Bonds a period of 12 consecutive months beginning on _____ of any calendar year and ending on _____ of the immediately succeeding calendar year except that the first Bond Year shall be a period commencing on the respective dates of issuance of such Series of Bonds hereunder and ending on _____.

"Bondholder", "Bond Holder", "Holder of Bonds", "Holder" or "holder" shall mean the registered owner of any Bond or Bonds.

"Borough of Rockaway Administrative Expense Account" shall mean the Subaccount so designated and established by Article V hereof.

"Borough of Rockaway Interest Subaccount" shall mean the Subaccount so designated and established by Article V hereof.

"Borough of Rockaway Principal Subaccount" shall mean the Subaccount so designated and established by Article V hereof.

"Borough of Rockaway Revenue Account" shall mean the Account so designated and established by Article V hereof.

"Borough of Rockaway Trust Estate" shall mean all right, title and interest of the Authority in, to and under (i) the Revenues Applicable to the Borough of Rockaway, (ii) all moneys and securities held in any Funds, Accounts or Subaccounts established hereunder with respect to the Borough of Rockaway Bonds (except for moneys or securities held in the Administrative Expense Account, but only to the extent such moneys represent the Administrative Fee), (iii) Borough of Rockaway's Allocable Share of all moneys and securities held in any other Funds, Accounts or Subaccounts established hereunder with respect to the Borough of Rockaway Bonds (except for the Rebate Fund), (iv) any moneys or securities to be set aside pursuant to the terms of this Lease Revenue Bond Resolution, which unless otherwise stated herein, shall be set aside for Borough of Rockaway in the amount of its Allocable Share, (v) any and all Improvements financed by Borough of Rockaway in accordance with its Loan Agreement and (vi) the Loan Agreement (but none of its obligations under such Loan Agreement, and also excluding the Reserved Rights against Borough of Rockaway), all payments and other amounts required to be paid by Borough of Rockaway thereunder and under any other documents in connection with the Loan Agreement.

"Business Day" shall mean, with respect to the Bonds of any Series, any day other than (i) a Saturday, Sunday or legal holiday or a day on which banking institutions, in the city in which the Principal Office of the Authority, any Local Unit, the Trustee, the Pooled Trustee or the Paying Agent is located, are closed, or (ii) a day on which the New York Stock Exchange is closed.

"Certificate" shall mean a written certificate signed in the name of the Authority, any Local Unit, the County, the Trustee or the Pooled Trustee. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the instruments so combined shall be read and construed as a single instrument.

"Code" shall mean the Internal Revenue Code of 1986, as the same may from time to time be amended or supplemented, including any regulations or judicial interpretations thereof.

"Completion Certificate" shall be the Certificate of an Equipment Local Unit as set forth in Exhibit C to the Lease Agreement.

"Completion Date" shall mean the date upon which any Local Unit executes and delivers to the Trustee the Completion Certificate.

"Cost" shall mean and be deemed to include, with respect to any Project, but on a pro-rata basis with respect thereto, together with any other proper item of cost not specifically mentioned herein, whether incurred prior to or after the date of the Project Agreements, (a) costs of payment of, or reimbursement for, the acquisition, construction, renovation or installation and financing of such Project, including, but not limited to, advances, deposits, downpayments or progress payments, installation costs, administrative costs and capital expenditures relating to the installation, financing payments, sales taxes, excise taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recording costs, printing costs, reproduction and binding costs, fees and charges of the Trustee and the Pooled Trustee pursuant to the Lease Revenue Bond Resolution, the Pooled Program Bond Resolution, the County Guaranty, the Project Agreements, financing documents, legal fees and charges, financial, accounting and other professional consultant fees, costs of rating agencies or credit ratings, fees for the printing, execution, transportation and safekeeping of the Authority Lease Revenue Bonds, the Authority Pooled Program Bonds and the Borough of Rockaway Bonds and charges and fees in connection with the foregoing; (b) all other costs which the Local Units or the Authority shall be required to pay under the terms of any contract or contracts for the acquisition, construction, renovation or installation of any Project, including, but not limited to, the cost of insurance; (c) any sums required to reimburse the Local Units for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to any Project thereof; (d) deposits in any Fund or Account under this Lease Revenue Bond Resolution or the Pooled Program Bond Resolution, all as shall be provided in this Lease Revenue Bond Resolution or the Pooled Program Bond Resolution; and (e) such other expenses not specified herein as may be necessary or incidental to the acquisition, construction, renovation or installation of any Project, the financing thereof and the placing of the same in use and operation. Cost as defined herein shall be deemed to include the costs and expenses incurred by any agent of the Local Units for any of the above mentioned items.

"Costs of Issuance" shall mean all items of expense directly or indirectly payable by or reimbursable to the Local Unit and/or the Authority and related to the authorization, execution, sale and delivery of the Authority Lease Revenue Bonds and the Authority Pooled Program Bonds, including, but not limited to, bond insurance costs, rating agency fees, advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, the Pooled Trustee and the Authority, the fees to be paid to the underwriters of a particular Series of Bonds or Authority Pooled Program Bonds, legal fees of parties to the transaction and initial charges, and all other initial fees and disbursements contemplated by the Project Agreements.

"Counsel" shall mean an attorney at law or firm of attorneys at law (who may be, without limitation, of counsel to, or an employee of the Trustee or the Paying Agent) duly admitted to practice law before the highest court of any state.

"County" shall mean the County of Morris, New Jersey, a lessee under an Lease Agreement with the Authority and issuer of the County Guaranty.

"County Acquisition Account" shall mean the Account so designated and established by Article V hereof.

"County Administrative Expense Subaccount" shall mean the Subaccount so designated and established by Article V hereof.

"County Interest Subaccount" shall mean the Subaccount so designated and established by Article V hereof.

"County Principal Subaccount" shall mean the Subaccount so designated and established by Article V hereof.

"County Revenue Account" shall mean the Account so designated and established by Article V hereof.

"County Trust Estate" shall mean all right, title and interest of the Authority in, to and under (i) the Revenues Applicable to the County, (ii) all moneys and securities held in any Funds, Accounts or Subaccounts established hereunder with respect to the Series 2011A Bonds that are designated with the prefix of the County (except for moneys or securities held in the Administrative Expense Account, but only to the extent such moneys represent the Administrative Fee), (iii) the County's Allocable Share of all moneys and securities held in any other Funds, Accounts or Subaccounts established hereunder with respect to the Series 2011A Bonds (except for the Rebate Fund), (iv) all moneys payable under the County Guaranty Applicable to the County, (v) any moneys or securities to be set aside pursuant to the terms of this Lease Revenue Bond Resolution, which unless otherwise stated herein, shall be set aside for the County in the amount of its Allocable Share, (vi) the Equipment financed by the County in accordance with its Applicable Lease Agreement and (vii) the Lease Agreement Applicable to the County (but none of its obligations under such Lease Agreement, and also excluding the Reserved Rights against the County), including, without limitation, the Lease Rights of the County, all rental payments and other amounts required to be paid by the County thereunder and under any other documents in connection with such Lease Agreement.

"Debt Service Fund" means the Fund so designated and established by Article V hereof.

"Default" shall mean an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default with respect to the Bonds.

"Draw Dates" shall mean those dates upon which each Local Unit, as approved by the Authority, draws funds from its respective Account in the Acquisition Fund for payment of all or a portion of the Project as specified in the Draw Papers.

"Draw Papers" shall mean Draw Papers as defined in Section 3.3 of the Lease Agreement.

"Lease Agreement" shall mean any or all, as the case may be, of the Lease Agreement entitled "Property and Infrastructure Lease Purchase Agreements" and dated as of _____, 2011 with the Authority and the County.

"Equipment," "Item" or "Item of Equipment" shall mean the equipment described in Exhibits A or B of the Lease Agreements; provided, each Item of Equipment may include more than one Unit.

"Event of Default" shall mean any occurrence or event designated as such in Section 9.01 hereof.

"Fiduciary" or "Fiduciaries" shall mean the Trustee or the Paying Agent, or both of them, as may be appropriate.

"Funds" shall mean any of the funds established by Article V hereof.

"General Fund" shall mean the Fund so designated and established by Article V hereof.

"Interest Account" shall mean the Account within the Debt Service Fund so designated and established by Article V hereof.

“Interest on the Loan” shall have the meaning set forth in the Loan Agreement.

"Interest Payment Date" shall mean the date on which interest on the Bonds and the Borough of Rockaway Bonds is required to be paid to the Holders thereof, with respect to the Series 2011A Bonds being the _____ day of each _____ and _____ until final maturity of such Series of Bonds, commencing _____, which shall constitute a regularly scheduled Interest Payment Date, or the date of any redemption or acceleration of the Bonds of any Series thereof.

"Interest Portion" shall mean with respect to Basic Lease Payments or Authority Pooled Program Bond Loan Repayments due on any Basic Lease Payment Date or Authority Pooled Program Bond Loan Repayment Date, as the case may be, by a Local Unit, the interest due and owing on such Local Unit's Applicable Series of Bonds on the immediately succeeding Interest Payment Date thereof, as set forth in Exhibit D to the Lease Agreements and Exhibit B of the Loan Agreement, less any credits and reductions as contemplated by the Applicable Lease Agreement or Loan Agreement.

"Investment Securities" shall mean and include any of the following securities, if and to the extent the same are at the time legal for investment of the Authority's funds:

(i) cash, direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal of and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS or defeased municipal notes or bonds rated in the highest rating category by the Rating Agencies;

(ii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state or of any agency or instrumentality of any such local governmental unit (a) that are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such Notes for redemption on the date or dates specified in such instructions, (b) that are secured as to principal, interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character in clause (i) above that have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate;

(iii) bonds, debentures or other evidences of indebtedness issued or guaranteed by any agency or corporation that has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America;

(iv) new housing authority bonds issued by public agencies or municipalities that are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United

States of America; or project notes issued by public agencies or municipalities that are fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(v) direct, general obligations of any state of the United States of America, the payment of the principal of and interest on which the full faith and credit of such state is pledged; provided, however, that at the time of their purchase hereunder such obligations are rated in either of the two highest rating categories by the Rating Agencies;

(vi) obligations of any state of the United States of America or any political subdivision thereof or of any agency or instrumentality of any such state or political subdivision that shall be rated in the highest short- or long-term rating category by the Rating Agencies;

(vii) direct and general obligations of the State, the payment of the principal of and interest on which the full faith and credit of the State is pledged; or any bonds or other obligations the payment of the principal of and interest on which are unconditionally guaranteed by the State;

(viii) certificates or other instruments that evidence ownership of the right to payments of principal of or interest on obligations of any state of the United States of America or any political subdivision thereof or of any agency or instrumentality of any such state or political subdivision; provided, however, that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under Section 10.09 hereof; and provided, further, that the payments of all principal of and interest on such obligations shall be fully insured or unconditionally guaranteed by, or otherwise unconditionally payable pursuant to a credit support arrangement provided by, one or more financial institutions or insurance companies or associations that shall be rated in the highest short- or long-term rating category by the Rating Agencies, or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bonds, such insurance policy shall result in such municipal bonds being rated in the highest rating category by the Rating Agencies;

(ix) certificates that evidence ownership of the right to payments of principal of or interest on obligations described in clause (i) above; provided, however, that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under Section 10.09 hereof;

(x) certificates of deposit, whether negotiable or non-negotiable, and banker's acceptances of any of the fifty (50) largest banks by measure of total assets, which banks may include the Trustee, that are rated not lower than the second highest rating category by the Rating Agencies;

(xi) commercial paper, other than that issued by bank holding companies, rated at the date of investment in the highest rating category by the Rating Agencies;

(xii) any repurchase agreement that, by its terms, matures not later than one (1) year from its date of execution with any bank or trust company organized under the laws of any state of the United States of America or any national banking association, including the Trustee, or any government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clause (i), (iii), (iv), (x) or (xi) above and which securities shall at all times have a market value (exclusive of accrued interest) of not less than one hundred two percent (102%) of the full amount of the repurchase agreement, have dates of maturity not in excess of seven (7) years, and be delivered to another bank or trust company organized under the laws of any state of the United States of America or national banking association, as custodian;

(xiii) shares of an investment company organized under the Investment Company Act of 1940, as amended, including any investment company for which the Trustee is investment advisor, that invests its assets substantially in obligations of the type described in clause (ii), (vii), (xi) or (xii) above;

(xiv) interests in the State of New Jersey Cash Management Fund or other similar common trust fund for which the State Treasurer is the custodian;

(xv) local government investment pools; and

(xvi) any other investments permitted under N.J.S.A. 40A:5-15.1.

"Lease Payments" shall have the meaning set forth in the Lease Agreement.

"Lease Rights" shall mean, with respect to any particular Local Unit and its Lease Agreement, all of the right, title and interest of the Authority under such Lease Agreement (but none of the Authority's obligations under such Lease Agreement) including without limitation the right to receive Lease Payments thereunder, but excluding the Reserved Rights with respect thereto.

"Letter of Instructions" shall mean the letter of instructions attached to the Tax Certificate as Exhibit A provided by Bond Counsel on the date of issuance and delivery of the Bonds, as such letter may be amended from time to time, as a source of guidance for compliance with the Code.

"Loan Payments" shall have the meaning set forth in the Loan Agreement.

Local Unit" or "Local Units" shall mean any of the County and the Borough of Rockaway.

"Local Unit Acquisition Account" shall mean any or all of the County Acquisition Account or the Borough of Rockaway Acquisition Account, as applicable.

"Local Unit Administrative Expense Subaccount" shall mean any or all of the County Administrative Expense Subaccount or Borough of Rockaway Administrative Expense Subaccount, as applicable.

"Local Unit Interest Subaccount" shall mean any or all of the County Interest Subaccount or Borough of Rockaway Interest Subaccount, as applicable.

"Local Unit Principal Subaccount" shall mean any or all of the County Principal Subaccount or Borough of Rockaway Principal Subaccount, as applicable.

"Local Unit Revenue Account" shall mean any or all of the County Revenue Account or Borough of Rockaway Revenue Account, as applicable.

"Local Unit Trust Estate" shall mean any of, as applicable, or collectively, as the case may be, the County Trust Estate or the Borough of Rockaway Trust Estate.

"Mandatory Purchase Price" shall have the meaning ascribed to such term in Section 8.4 of the Applicable Lease Agreement.

"Net Proceeds" shall mean any insurance, condemnation, performance bond, or any other financial guaranty proceeds paid with respect to any Project, remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as any Local Unit elects to provide self-insurance under Section 5.3 of the Lease Agreements and [Section 611 of the Loan Agreement], any moneys payable from any self-insurance fund of the Local Unit which may lawfully be expended for the purposes for which such self-insurance is provided.

"Optional Prepayment Amount" shall have the meaning ascribed to such term in Section 306 of the Loan Agreement.

"Outstanding" or "outstanding" shall mean, when used with reference to Bonds of any Series, as of any particular date (subject to the provisions of Section 13.08 hereof), all Bonds of such Series theretofore, or thereupon being, authenticated and delivered by the Trustee under this Lease Revenue Bond Resolution, except (i) Bonds of such Series theretofore or thereupon canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds of such Series with respect to which all liability of the Authority shall have been discharged in accordance with Article XII; and (iii) Bonds of such Series in lieu of or in substitution for which other Bonds of

such Series shall have been authenticated and delivered by the Trustee pursuant to any provision of this Lease Revenue Bond Resolution.

"Overdue Rate" shall mean (i) with respect to Lease Payments, 2% per annum over the Base Rate, which rate will change automatically and immediately as of the date the Privately Placed Trustee changes its Base Rate, without notice to the Local Units and (ii) with respect to Loan Repayments, the rate set forth in Section 3.03(b) of the Loan Agreement.

"Owner" of a Bond shall mean the registered owner of such Bond as shown on the register kept by the Trustee pursuant to Section 3.04 of this Lease Revenue Bond Resolution.

"Paying Agent" means the Paying Agent appointed pursuant to Section 10.02 hereof, and its successors.

"Principal Account" shall mean the Account within the Debt Service Fund so designated and established by Article V hereof.

"Principal Office" shall mean, when used with reference to the Authority, the Trustee or the Paying Agent, the respective addresses of such parties as set forth in Section 13.07 hereof, and any further or different addresses as such parties may designate pursuant to Section 13.07 hereof.

"Principal Payment Date" shall mean the date on which principal on the Bonds or the Borough of Rockaway Bonds is required to be paid to the Holders thereof, with respect to the Series 2011A Bonds, Series 2011A Notes and the Borough of Rockaway Bonds being the _____ day of each _____ until final maturity of such Series of Bonds or the Borough of Rockaway Bonds, commencing _____, which shall constitute a regularly scheduled Principal Payment Date, or the date of any redemption or acceleration of the Bonds or any Series thereof.

"Principal Portion" shall mean with respect to Basic Lease Payments due on any Basic Lease Payment Date or any Authority Pooled Program Bond Loan Repayments due on any Authority Pooled Program Bond Loan Repayment Date, the Local Units' Applicable Share of principal of the Applicable Series of Bonds due and owing on the immediately succeeding Principal Payment Date (as defined in the Lease Revenue Bond Resolution) of such Applicable Series of Bonds, as set forth in Exhibit D to the Lease Agreements and Exhibit B of the Loan Agreement, less any credits as contemplated by the Applicable Lease Agreement or Loan Agreement.

"Proceeds" shall mean the aggregate moneys paid by the initial purchasers of the Bonds to the Trustee, including any accrued interest on the Bonds, which may be net of any applicable underwriter's discount with respect to the Bonds.

"Project Agreement" shall mean any or all, as the case may be, of the Lease Agreement or the Loan Agreement.

"Project" shall mean any Equipment.

"Purchase Option Price" shall have the meaning ascribed to such term in Section 8.3 of the Applicable Lease Agreements.

"Rating Agency" shall mean individually or collectively, as the case may be, Moody's Investors Service, or any other nationally recognized rating agency that has rated the Bonds or any Series of Additional Bonds, which rating was sought and/or purchased by the Authority.

"Rebate Fund" shall mean the Fund so designated and established by Article V hereof.

"Record Date" shall mean with respect to an Interest Payment Date for a particular Series of Bonds, unless otherwise provided by this Lease Revenue Bond Resolution or a Supplemental Resolution authorizing such Series, the first (1st) day (whether or not such day shall be a Business Day) of the month preceding such Interest Payment Date.

"Redemption Price" shall mean, when used with reference to any Bond or any portion thereof, the principal amount of such Bond or such portion thereof and any premium thereon payable upon redemption thereof pursuant to the provisions of such Bond and this Lease Revenue Bond Resolution.

"Repurchase Agreement" means a written agreement under which a bank or trust company which has a capital and surplus of not less than $50,000,000 or a government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York sells to, and agrees to repurchase from the Authority or the Trustee Government Obligations; provided that the market value of such obligations is at the time of entering into the agreement at least one hundred and three percent (103%) of the repurchase price specified in the agreement and that such obligations are segregated from the unencumbered assets of such bank or trust company or government bond dealer; and provided further that unless the agreement is with a bank or trust company, such agreement shall require the repurchase to occur on demand or on a date certain and shall expressly authorize the Trustee or the Authority, as the case may be, to liquidate the purchased obligations in the event of the insolvency of the party required to repurchase such obligations or the commencement against such party of a case under the federal bankruptcy code or the appointment of or taking possession by a trustee or custodian in a case against such party under the Bankruptcy Code. Any such investments may be purchased from or through the Trustee.

"Reserved Rights" shall mean, with respect to any particular Local Unit and its Lease Agreement or the Borough of Rockaway and its Loan Agreement, as the case may be, the Authority's right to (i) receive the Additional Lease Payments or Interest on the Loan representing Administrative Fees payable by such Local Unit and amounts payable thereunder at the Overdue Rate, (ii) receive notices provided for in such Lease Agreement or Loan Agreement, (iii) appoint, replace or remove such parties as shall be appointed, replaced or removed under such Lease Agreement, the Loan Agreement, the County Guaranty, this Lease Revenue Bond Resolution and the Pooled Program Bond Resolution at the direction of the Authority and (iv) the right to give or withhold consents permitted or required of the Authority under such Lease Agreement, the Loan Agreement, the County Guaranty, this Lease Revenue Bond Resolution and the Pooled Program Bond Resolution and to consent to or withhold consent to amendments to such Lease Agreement, the Loan Agreement, the County Guaranty, this Lease Revenue Bond Resolution and the Pooled Program Bond Resolution to the extent that any such consent or amendment would diminish the rights or enlarge the responsibilities or adversely affect the ability of the Authority to realize or perform same, respectively, or which would increase the Authority's potential liability or exposure to any party to such documents or to any third party as a result thereof.

"Revenue Fund" shall mean the Fund so designated and established by Article V hereof.

"Revenues" shall mean, with respect to any particular Local Unit, all (i) Lease Payments or Loan Payments Applicable to such Local Unit, (ii) any investment income which is derived from the investment of any funds which are held by the Trustee pursuant to the terms of this Lease Revenue Bond Resolution and which are deposited in the Funds, Accounts and Subaccounts established hereunder that are designated by the prefix of such Local Unit, and (iii) any particular Local Unit's Allocable Share of any investment income which is derived from the investment of any funds which are held by the Trustee pursuant to the terms of this Lease Revenue Bond Resolution and which are deposited in the other Funds, Accounts and Subaccounts established hereunder that are not designated with the prefix of any Local Unit, except that Revenues shall not include any moneys or securities deposited in the Rebate Fund and shall not include moneys or securities held in the Administrative Expense Account, but only to the extent such moneys represent the Administrative Fee.

"Series 2011A Bonds" shall mean the $_____ aggregate principal amount of Bonds constituting the "Authority Lease Revenue Bonds, Series 2011A" authorized pursuant to the terms of Section 2.03(1)(a) hereof.

"Series" shall mean all of the Bonds authenticated and delivered on original issuance and identified pursuant to this Lease Revenue Bond Resolution or any Supplemental Resolution authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or

Sections 4.07 or 11.10 hereof, regardless of variations in maturity, interest rate or other provisions.

"Subaccounts" shall mean any subaccount established in any of the Accounts established by Article V hereof.

"Supplemental Resolution" shall mean the certificate or certificates of an Authorized Officer of the Authority referred to in Section 2.02(1)(d) hereof or any resolution or resolutions of the Authority amending, modifying or supplementing this Lease Revenue Bond Resolution, authorizing the issuance of a Series of Bonds, or any other Supplemental Resolution adopted by the Authority pursuant to the provisions of this Lease Revenue Bond Resolution.

"Tax Certificate", with respect to any Series of Bonds, means the "Tax Certificate as to Arbitrage and Instructions as to Compliance with the Provisions of Section 103(a) of the Internal Revenue Code of 1986, as amended" executed and delivered by an Authorized Officer of the Authority on the date of issuance of such Series of Bonds, as the same may be supplemented and amended from time to time.

"Trustee" shall mean the Trustee appointed pursuant to Section 10.01 hereof, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the provisions of this Lease Revenue Bond Resolution.

SECTION 1.02. Rules of Interpretation. For all purposes of this Lease Revenue Bond Resolution, except as otherwise expressly provided or unless the context otherwise requires:

(a) "This Lease Revenue Bond Resolution" means this instrument as originally adopted and as it may be supplemented, modified or amended from time to time by any Supplemental Resolution, unless in the case of any one or more Supplemental Resolutions the context requires otherwise.

(b) All reference in this Lease Revenue Bond Resolution to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Lease Revenue Bond Resolution. The words "herein", "hereof", "hereunder" and "herewith" and other words of similar import refer to this Lease Revenue Bond Resolution as a whole and not to any particular Article, Section or other subdivision hereof.

(c) The terms defined in this Lease Revenue Bond Resolution include the plural as well as the singular.

(d) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(e) The table of contents and the headings or captions used in this Lease Revenue Bond Resolution are for convenience of reference only and shall not define, limit or prescribe any of the provisions hereof or the scope or intent hereof.

SECTION 1.03. Authority for this Lease Revenue Bond Resolution. This Lease Revenue Bond Resolution is adopted pursuant to the provisions of the Act and constitutes a resolution authorizing bonds pursuant to the Act.

SECTION 1.04. Bond Resolution and Bonds Constitute a Contract; Pledge of Local Unit Trust Estates. With respect to the Bonds, in consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under this Lease Revenue Bond Resolution by those who shall hold the same from time to time: (i) this Lease Revenue Bond Resolution shall be deemed to be and shall constitute a contract between the Authority, the Trustee and the Holders, from time to time; (ii) the respective pledges made herein to the Trustee shall in every respect be subordinate to the respective pledges made herein to the Trustee for the benefit of Holders of each of the Series of Bonds except that Bond Owners shall have no interest in and shall not be secured by the Rebate Fund and the Administrative Fund, but only to the extent of the Administrative Fee; (iii) the respective pledges made herein for the benefit of the Holders of each of the Series of Bonds shall be for the equal and ratable benefit, protection and security of the Holders of each such Series of Bonds, all of the Bonds in such Series regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority of such Series, or distinction as to lien or otherwise, except as expressly provided in or permitted hereby; (iv) the duties, covenants, obligations and agreements set forth herein to be observed and performed by or on behalf of the Authority not set forth in clauses (v) - (ix) of this Section shall be for the equal and ratable benefit, protection and security of the Holders of all of the Bonds of each Series, (v) the Authority, as security for the payment of the principal and Redemption Price, if any, of and the interest on the Series 2011A Bonds and as security for the observance and performance of any other duty, covenant, obligation or agreement of the Authority under this Lease Revenue Bond Resolution relating to the Series 2011A Bonds all in accordance with the provisions thereof and hereof, does hereby grant a security interest in and further does grant, bargain, sell, convey, pledge, assign and confirm to the Trustee for the benefit of the Owners of the Series 2011A Bonds, the County Trust Estate; (vi) notwithstanding any other provision herein, that portion of the pledges made in clauses (v) through (ix) of this Section to secure the payment of any redemption premium payable hereunder shall not include clause (iv) of the definition of the Applicable Local Unit Trust Estates; (xiv) the pledges made hereby are valid and binding from the time when the pledges are made and the respective Local Unit Trust Estates shall immediately be subject to the lien of such pledges without any physical delivery thereof or further act and regardless of whether held by the Trustee, and the lien of such pledges 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; and (xv) the Bonds of each Series shall be limited, special obligations of the Authority payable solely from and secured by a pledge of the respective Local Unit Trust Estates as provided hereby.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.01. Authorization of Bonds; Designation of Bonds of Series; No Additional Bonds.

1. This Lease Revenue Bond Resolution authorizes Bonds of the Authority to be designated as "Authority Lease Revenue Bonds, Series 2011" and “Authority Lease Revenue Notes, Series 2011” which may be issued in accordance with Section 2.03 hereof.

2. Neither the State, the Local Units (except to the extent of the Local Unit Guaranties), nor any political subdivision thereof, other than the Authority (but solely to the extent of the respective Local Unit Trust Estate), is obligated to pay the principal or Redemption Price of, or interest on, the Bonds, and neither the full faith and credit nor the taxing power of the State, the Local Units (except to the extent of the Local Unit Guaranties) nor any political subdivision thereof, including the Authority (which has no taxing power) is pledged to the payment of the principal or Redemption Price of, or interest on, the Bonds.

SECTION 2.02. General Provisions for Issuance of Bonds.

1. All (but not less than all) of the Bonds of each Series shall be executed by the Authority in accordance with Section 3.03 hereof for issuance under this Lease Revenue Bond Resolution. Thereupon, all (but not less than all) of the fully executed Bonds, shall be delivered to the Trustee and shall be authenticated by the Trustee and by it delivered to the Authority or upon its order, but only upon the receipt by the Trustee of:

(a) A copy of this Lease Revenue Bond Resolution, certified by an Authorized Officer of the Authority;

(b) An opinion of Bond Counsel to the effect that (i) the Authority has the right and power under the Act, as amended to the date of such opinion, to adopt this Lease Revenue Bond Resolution, and this Lease Revenue Bond Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and constitutes the valid and binding agreement of the Authority enforceable in accordance with its terms, and no other authorization for this Lease Revenue Bond Resolution is required; (ii) this Lease Revenue Bond Resolution creates the valid pledge which it purports to create of the Local Unit Trust Estate, subject only to the provisions of this Lease Revenue Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Lease Revenue Bond Resolution; and (iii) the Authority is duly authorized and entitled to issue the Bonds and such Bonds have been duly and validly authorized and issued by the Authority, in accordance with law, including the

Act, as amended to the date of such opinion, and in accordance with this Lease Revenue Bond Resolution, and constitute the valid and binding obligations of the Authority as provided in this Lease Revenue Bond Resolution, enforceable in accordance with their terms and the terms of this Lease Revenue Bond Resolution, and are entitled to the benefits of the Act, as amended to the date of such opinion, and this Lease Revenue Bond Resolution. Such opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and may state that no opinion is being rendered as to the availability of any particular remedy;

(c) A written order to the Trustee as to the delivery of such Bonds, signed by an Authorized Officer of the Authority; and

(d) Notwithstanding any other provision herein, a Certificate of an Authorized Officer of the Authority setting forth (i) the aggregate principal amount of Bonds to be issued for each Series under this Lease Revenue Bond Resolution, (ii) the interest rates and Redemption Prices and other redemption terms applicable to each Series of Bonds to be issued under this Lease Revenue Bond Resolution, (iii) the selection of the Trustee, (iv) evidence that the Local Unit Guaranties for each Series of Bonds is in full force and effect and (v) subject to the parameters set forth in the definition of Bonds and upon the advice of Authority counsel and its professional advisors, the addition to, deletion from or modification of any provision of this Lease Revenue Bond Resolution, as originally adopted on _____, 2011, the contents of which certificate may be incorporated in this Lease Revenue Bond Resolution without the compliance with any other provision herein, including without limitation Article XI hereof. The Authorized Officer executing any such certificate shall report the substance of such certificate to the Board at the Board's next public meeting.

(e) Such further documents, moneys and securities as are required by the provisions of any Supplemental Resolution adopted pursuant to Article XI hereof.

2. All the Bonds of each Series of Bonds issued simultaneously of like maturity shall be identical in all respects, except as to denominations, numbers, letters and whether such Series of Bonds is entitled to the benefits of a Local Unit Guaranty. After the original issuance of Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Sections 4.07 or 11.10 hereof.

SECTION 2.03. Bonds.

1. The Bonds shall be comprised of the Series of Bonds, each Series entitled to the benefit, protection and security of this Lease Revenue Bond Resolution. The Series 2011A Bonds for the purpose of acquiring and installing the Project in accordance with the terms of the Applicable Lease Agreement. The Series 2011A Notes are hereby authorized for issuance in the aggregate principal amount not to exceed $_____ for the purpose of acquiring and installing the Project in accordance with the terms of the Applicable Lease Agreement.

(a) The not to exceed $_____ aggregate principal amount of Bonds maturing at the times and in the amounts as set forth in Section 2.03(2)(a) hereof and authorized hereby shall be designated as, and shall be further distinguished from the Bonds of all other Series by the title, "Authority Lease Revenue Bonds, Series 2011A."

(c) The not to exceed $_____ aggregate principal amount of Bonds maturing at the times and in the amounts as set forth in Section 2.03(2)(b) hereof and authorized hereby shall be further designated as, and shall be distinguished from the Bonds of all other Series by the title, "Authority Lease Revenue Notes, Series 2011A."

2. (a) The Series 2011A Bonds shall be dated, and shall bear interest from the date of issuance thereof, on the basis of a 360 day year consisting of twelve 30 day months and shall otherwise be payable as provided in Section 3.01 of this Lease Revenue Bond Resolution. The Bonds shall mature on the dates and in the principal amounts, and shall bear interest payable semiannually with respect to Series 2011A Bonds, on _____ and _____ in each year, commencing _____, at the respective rates per annum, shown below:

The $_____ Series 2011A Bonds:

August 15	Principal Amount Maturing	Interest Rate	August 15	Principal Amount Maturing	Interest Rate

(b) The Series 2011A Notes shall be dated, and shall bear interest from the date of issuance thereof, on the basis of a 360 day year consisting of twelve 30 day months and shall otherwise be payable as provided in Section 3.01 of this Lease Revenue Bond Resolution. The Bonds shall mature on _____ at the rate of _____%

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3. The Bonds shall be issued in the denomination of one certificate for the aggregate principal amount of each maturity for each Series of Bonds. Purchases of the Bonds will be made in any denominations determined by the Authority. Unless the Authority shall otherwise direct, the Bonds shall be lettered and numbered as follows, with such other letter as shall be determined by the Trustee prefixed to the following letter or numbers. The Series 2011A Bonds shall be lettered and numbered from one upward in order of maturities preceded by the letters and symbol "RA-." The Series 2011A Notes shall be lettered and numbered from one upward in order of maturities preceded by the letters and symbol "RA-." Subject to the provisions of this Lease Revenue Bond Resolution, the form of the Bonds and the Trustee's certificate of authentication shall be substantially in the form set forth in Section 14.01 hereof.

4. The principal of the Bonds shall be payable to the Holders thereof upon the surrender thereof at the principal corporate trust office of [Trustee], _____, as Paying Agent. The principal of all Bonds 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 Lease Revenue Bond Resolution. Interest on the Bonds shall be payable by check of the Paying Agent, 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. However, so long as the registered owner of the Bonds is the Pooled Trustee, interest shall be payable to such registered owner in immediately available funds, by intrabank transfer or otherwise as agreed to by the Trustee and the Pooled Trustee.

5. The Series 2011A Bonds maturing prior to _____ are not subject to optional redemption prior to their stated maturities. The Series 2011A Bonds maturing on or after _____ are subject to redemption prior to their stated maturities on or after _____ at the option of the Authority upon the direction or approval of the respective Local Units, in whole at any time or in part on any Interest Payment Date, at a redemption Price equal to 100% of the principal amount to be redeemed plus accrued interest to the date of redemption, in any case upon the Trustee's receipt of written notice from the Authority authorizing any such redemption which shall be immediately sent to the Trustee upon the Authority's receipt of the notice from any such respective Local Unit, as set forth in Section 7.3(B) of the Lease Agreements, upon notice of redemption set forth in Article IV hereof

6. Reserved.

7. (a) The proceeds of the Series 2011 Lease Revenue Bonds of $_____ (par amount of the Series 2011 Lease Revenue Bonds of $_____ plus accrued interest of $_____ plus original issue premium of $_____ less underwriter's discount of $_____, less costs of issuance of $_____) (the “Proceeds”), shall be received by the Trustee and applied simultaneously with the delivery of such Authority Lease Revenue Bonds as follows:.

(b) Deposit $_____ in the Acquisition Accounts within the Acquisition Fund as follows:

(i) $_____ in the County Acquisition Account;
(ii) $_____ in the Borough of Rockaway Acquisition Account;

(c) Deposited $_____ in the respective Local Unit interest accounts of the Debt Service Fund which is an amount equal to interest accrued on the Lease Revenue Bonds from _____ to the date of their delivery, to be applied to the payment of interest due on the Lease Revenue Bonds on _____as follows.

(i) $_____ in the County Interest account;

8. Upon the authentication and delivery of each Series of Bonds, the Authority shall furnish to the Trustee:

(a) a Certificate of the Chairperson, Executive Director or other Authorized Officer of the Authority, pursuant to Section 148 of the Code, setting forth the expectations of the Authority on the date of such authentication and delivery as to future events and such certification shall set forth the facts and estimates on which such expectations are based and shall state that to the best of the knowledge and belief of such officer of the Authority, the Authority's expectations are reasonable;

(b) an opinion of Bond Counsel to the effect that under existing law (i) interest on such Bonds is excluded from gross income for Federal income tax purposes and (ii) interest on such Bonds and any gain on the sale thereof is exempt from the tax imposed by the New Jersey Gross Income Tax Act; and

(c) opinions of Counsel to the effect that the Authority and each of the Local Units has the right and power under the Act, as amended to the date of such opinion, and any other applicable law to enter into the Applicable Project Agreements and, if applicable, to adopt the Local Unit Guaranties, and the Project Agreements have each been duly and lawfully authorized and executed by the Authority and each of the Local Units and the Local Unit Guaranties have each been duly and lawfully authorized and adopted by each of the Applicable Local Units, are in full force and effect and are valid and binding upon the Authority and each of the Applicable Local Units and enforceable in accordance with their respective terms, and no other authorization for the Project Agreements or the Local Unit Guaranties is required; provided, that the opinions may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and may state that no opinion is being rendered as to the availability of any particular remedy, but that such limitations do not make the rights and remedies of the Bondholders, taken as a

whole, inadequate for the practical realization of the benefits of the Project Agreements or the Local Unit Guaranties.

ARTICLE III
GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 3.01. Medium of Payment; Form and Date; Letters and Numbers.

1. The Bonds shall be payable, with respect to interest, principal and Redemption Price, if any, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, except that interest on the Bonds may be paid in accordance with Section 2.03(4) hereof.

2. The Bonds of each Series shall be issued only in the form of fully registered Bonds without coupons. The Bonds of each Series shall be in substantially the form set forth in Article XIV hereof or substantially in the form set forth in any Supplemental Resolution authorizing such Series.

3. Each Bond shall be lettered and numbered as provided in this Lease Revenue Bond Resolution or any Supplemental Resolution providing for the issuance of the Series of which such Bond is a part and so as to be distinguished from every other Bond.

Bonds of each Series issued on the date of original issuance shall be dated and bear interest from the date set forth in this Lease Revenue Bond Resolution or any Supplemental Resolution authorizing such Series of Bonds. Bonds of each Series issued after the date of original issuance shall be dated as of the date set forth in this Lease Revenue Bond Resolution or any Supplemental Resolution and shall bear interest from the last Interest Payment Date to which interest has been paid. Interest on each Bond shall be payable from the most recent Interest Payment Date next preceding the date of such Bond to which interest has been paid, unless the date of such Bond is an Interest Payment Date to which interest has been paid, in which case interest shall be payable from such date, or unless the date of such Bond is prior to the first Interest Payment Date on the Bonds, in which case interest shall be payable from the earliest date on which interest shall have accrued on such Series of Bonds, or unless the date of such Bond is between the Record Date and the next succeeding Interest Payment Date, in which case interest shall be payable from such Interest Payment Date.

SECTION 3.02. Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Lease Revenue Bond Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, the Act, or otherwise, as may be determined by the Authority prior to the authentication and delivery thereof.

SECTION 3.03. Execution and Authentication.

1. The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of the Chairperson or other Authorized Officer of the Authority, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary or Assistant Secretary or other Authorized Officer of the Authority, or in such other manner as may be required or permitted by law. In case any one or more of the Authorized Officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed and sealed on behalf of the Authority by such persons who at the time of the execution of such Bonds shall be duly authorized or shall hold the proper office in the Authority, although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

2. The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in this Lease Revenue Bond Resolution or in any Supplemental Resolution authorizing such Series of Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Lease Revenue Bond Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Authority shall be conclusive evidence that this Bond so authenticated has been duly authenticated and delivered under the Lease Revenue Bond Resolution and that the Holder thereof is entitled to the benefits of this Lease Revenue Bond Resolution.

SECTION 3.04. Transfer and Registry.

1. Each Bond shall be transferable only upon the books of the Authority, which shall be kept for that purpose at the principal corporate trust office of the Trustee, by the Holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Holder or his duly authorized attorney. Upon the transfer of any such Bond the Authority shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond.

2. The Authority and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Authority as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on, such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be

valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary.

SECTION 3.05. Regulations With Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Lease Revenue Bond Resolution. All Bonds surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee 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 Trustee shall be required (a) to transfer or exchange Bonds for a period beginning on the Record Date next preceding an Interest Payment Date for the Bonds and ending on such Interest Payment Date, or for a period of fifteen (15) days (or such lesser period as may be specified in a Supplemental Resolution for a particular Series of Bonds) next preceding the date (as determined by the Trustee) of any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called or tendered for redemption.

SECTION 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Authority shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like Series, maturity and principal amount as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Authority and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Authority and the Trustee may prescribe and paying such expenses as the Authority and Trustee may incur. All mutilated Bonds so surrendered to the Trustee shall be canceled by it. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by, and entitled to equal and proportionate benefits with all other Bonds issued under this Lease Revenue Bond Resolution in, any moneys or securities held by the Authority or any Fiduciary for the benefit of the Bondholders of the Applicable Series.

SECTION 3.07. Temporary Bonds.

1. Until the definitive Bonds of any Series are prepared, the Authority may execute, in the same manner as is provided in Section 3.03 hereof, and upon the request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Authority at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Lease Revenue Bond Resolution.

2. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

SECTION 3.08. Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Trustee, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its Authorized Officers describing the Bonds so destroyed, and one executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Trustee.

ARTICLE IV

REDEMPTION OF BONDS PRIOR TO MATURITY

SECTION 4.01 Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to this Lease Revenue Bond 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 Lease Revenue Bond Resolution, the Certificate of an Authorized Officer of the Authority referred to in Section 2.02(1)(d) hereof or any Supplemental Resolution authorizing such Series of Bonds.

SECTION 4.02. Optional Redemption.

A. OPTIONAL REDEMPTION.

1. The Series 2011A Bonds shall be subject to optional redemption in accordance with the provisions of this Lease Revenue Bond Resolution, including without limitation, Section 2.03(5) hereof.

2. In the case of any redemption of Bonds 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 Bonds 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 Lease Revenue Bond Resolution).

3. Such notice required under subsection (2) hereof shall be given at least forty-five (45) days prior to the redemption date. In the event notice of redemption shall have been given as provided in Section 4.05, the Authority shall pay or require the County of the Borough of Rockaway, as the case may be, to pay to the Trustee on or prior to the redemption date, an amount in cash which, in addition to other moneys, if any, available therefor and held by the Trustee, 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 Bonds to be redeemed.

SECTION 4.03. Redemption by Trustee. Whenever by the terms of this Lease Revenue Bond Resolution the Trustee is required to redeem Bonds otherwise than at the election of the Authority or at the direction of the respective Local Units, the Trustee shall select the Bonds to be redeemed, give the notice of redemption as provided in Section 4.05 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 hereof.

SECTION 4.04. Selection of Bonds to be Redeemed.

1. If less than all of the Bonds of any Series of like maturity shall be called for redemption and if the particular Bonds or portions of Bonds to be redeemed shall be selected at random by the Trustee, such Bonds shall be selected in such manner as the Trustee in its discretion may deem fair and appropriate.

2. If fewer than all of the Outstanding Bonds of any Series that are stated to mature on different dates are called for redemption at one time on any given redemption date, an Authorized Officer of the Authority shall designate, by maturity, those Bonds which are to be redeemed on any such redemption date by delivering to the Trustee not earlier than sixty (60) days and no later than forty-five (45) days prior to any such redemption date a Certificate detailing such maturities and the amounts to be redeemed within each such maturity. If the Trustee has not received the Authority's Certificate by such forty-fifth (45th) day, the Trustee may select the Bonds to be redeemed in the same manner as those Bonds selected in accordance with Section 4.04(1) hereof.

SECTION 4.05. Notice of Redemption. When Bonds of a Series have been selected for redemption pursuant to any provision of this Lease Revenue Bond Resolution, the Trustee shall give written notice of the redemption of such Bonds in the name of the Authority at the times specified in the second paragraph of this Section, which notice shall set forth: (i) the Series and CUSIP numbers of the Bonds to be redeemed, (ii) the date fixed for redemption, (iii) the Redemption Price to be paid, (iv) that such Bonds will be redeemed at the Principal Office of the Paying Agent, (v) if less than all of such Bonds shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed, (vi) in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed, and (vii) with respect to a redemption required under Section 4.02(A) only, a statement that such Bonds will be redeemed only if moneys are made available therefor to the Paying Agent on the redemption date from any other source available hereunder. Such notice shall further state that on the redemption date there shall become due and payable the Redemption Price of all Bonds to be redeemed, together with interest accrued to the redemption date, and that, from and after such date, no Bondholders shall have a right to receive accrued interest. In case any Bond is to be redeemed in part only, the notice of redemption that relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond, the Holder thereof shall be entitled to a new Bond or Bonds of the same Series, bearing interest at the same rate and in aggregate principal amount equal to the unredeemed portion of such Bond.

The notice required to be given by the Trustee pursuant to this Section shall be sent by first-class mail to the registered owners of the Bonds to be redeemed, at their addresses as they appear on the Bond 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 Bond or portion thereof to the registered owner of such Bond as herein provided or as provided in Section 4.06(2) hereof shall not affect the validity of the proceedings

for the redemption of any Bonds for which notice of redemption has been given in accordance with the provisions of this Section.

SECTION 4.06. Payment of Redeemed Bonds.

1. On the date designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions of Bonds called for redemption shall become and be due and payable at the Redemption Price provided for redemption of such Bonds 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 Bonds, then, subject to Section 5.08 hereof, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such Bonds or such portions thereof shall cease to be entitled to any benefit or security under this Lease Revenue Bond Resolution and the Holders of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof and the accrued interest thereon and, to the extent provided in Section 4.07 hereof, to receive Bonds for any unredeemed portions of Bonds. Notwithstanding any other provision in this Section 4.06 hereof, upon the Trustee's receipt of the Certificate contemplated by Section 4.02 hereof, the Bonds or portions thereof called for redemption shall not become due and payable on the applicable redemption date, such Bonds or portions thereof shall continue to bear interest and in every other manner remain Outstanding and the Trustee shall notify in writing by first-class mail the Holders thereof of such occurrence.

2. With respect to any Bonds to be redeemed which have not been presented for redemption within thirty (30) days after the redemption date, the Trustee, at the expense of the Applicable Local Unit (whose Series of Applicable Authority Lease Revenue Bonds have been called for redemption), shall give a second notice of redemption to the registered owner of any such Bonds which have not been presented for redemption, by certified or registered mail, as of the end of such thirty (30)-day period.

SECTION 4.07. Redemption of Portions of Bonds. In case part but not all of an Outstanding Bond shall be selected for redemption, upon presentation and surrender of such Bond 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 owner thereof or his attorney or legal representative, without charge therefor, a Bond or Bonds of the same Series bearing interest at the same rate and of any denomination or denominations authorized by this Lease Revenue Bond Resolution in aggregate principal amount equal to the unredeemed portion of such Bond.

ARTICLE V

REVENUES AND FUNDS

SECTION 5.01. Creation of Funds and Accounts. The following Funds and separate Accounts within such Funds shall be established, held and maintained for the Bonds and the Borough of Rockaway Bond:

(a) Acquisition Fund, to be held by the Trustee, which shall consist of a County Acquisition Account and a Borough of Rockaway Acquisition Account;

(b) Administrative Fund, to be held by the Trustee, which shall consist of an Administrative Expense Account which such Administrative Expense Account shall consist of a County Administrative Expense Subaccount and a Borough of Rockaway Administrative Expense Subaccount;

(c) Debt Service Fund, to be held by the Trustee, which shall consist of an Interest Account and a Principal Account; the Interest Account shall consist of a County Interest Subaccount and a Borough of Rockaway Interest Subaccount; the Principal Account shall consist of a County Principal Subaccount and a Borough of Rockaway Principal Subaccount;

(d) General Fund, to be held by the Trustee;

(e) Rebate Fund, to be held by the Trustee; and

(f) Revenue Fund, to be held by the Trustee, which shall consist of a County Revenue Account and a Borough of Rockaway Revenue Account.

SECTION 5.02. Acquisition Fund.

1. There shall be established within the Acquisition Fund a separate Acquisition Account in favor of each Local Unit that has entered into a Lease Agreement with the Authority as set forth in Section 5.01(a) hereof.

2. There shall be deposited into each of the respective Acquisition Accounts (i) from the proceeds of the Series 2011A Bonds the respective amounts set forth in Section

2.03(7)(d) hereof, and (ii) the Net Proceeds or any other moneys required to be so deposited under Section 5.4 of the Applicable Lease Agreement.

3. The Trustee shall make payments to the Equipment Local Units or their designees from the respective Local Unit Acquisition Accounts of the Acquisition Fund in the amounts, at the times, in the manner and on the other terms and conditions as set forth in this Section 5.02 and in Section 2.4 of the Lease Agreements. Before any such payment shall be made, the Equipment Local Units shall file with the Trustee the Draw Papers therefor, which Draw Papers shall be in a form that is consistent with the requirements hereof and of the respective Lease Agreement. The Acceptance Certificates shall be in a form that shall be set forth as an exhibit to the respective Lease Agreement. The Trustee shall issue its check for each payment required by such Draw Papers or shall by interbank transfer or other method arrange to make the payment required by such Draw Papers.

4. Each of the Equipment Local Units shall file with the Trustee a Completion Certificate, signed by an Authorized Officer of such Equipment Local Unit, with respect to the Applicable Project when the Authority has approved all Draw Papers to be paid from such Local Unit's Acquisition Account that are eligible to be approved. Such Certificate shall: (a) set forth the statements required by Section 2.4(B)(1), (2) and (3) of the Lease Agreement; and (b) if any moneys remain on deposit in such Local Unit's Acquisition Account, set forth a schedule indicating when and how much of the remaining moneys are to be transferred to the Debt Service Fund and applied as a credit against and considered as Basic Lease Payments due from such Equipment Local Unit. Unless the Authority shall direct in writing that the Trustee deposit all or a portion of such moneys in the Rebate Fund after the Trustee shall have notified the Authority of the Trustee's receipt of any such Completion Certificate, the Trustee shall transfer from such Local Unit's Acquisition Account to the Debt Service Fund, the amounts contained in such Certificate of such Equipment Local Unit at the times indicated therein and the Trustee shall notify such Local Unit in writing of the reduction in Basic Lease Payments next due. Such Equipment Local Unit shall file a copy of such Certificate with the Authority.

5. Reserved.

SECTION 5.03. Administrative Fund.

1. There shall be established within the Administrative Fund an Administrative Expense Account.

2. The Trustee shall invoice the Local Units (a) for the Administrative Fee at least thirty (30) days prior to the dates such amounts become due and (b) for any other Administrative Expense that is approved by the Authority, promptly after the receipt by the Trustee of a Certificate of an Authorized Officer of the Authority delivered to the Trustee to such effect. The Local Units shall pay to the Trustee as Additional Lease Payments or Interest on the Loan, as the case may be, for deposit in their respective Local Unit Administrative Expense Subaccounts (i) the

Administrative Fee when due in accordance with the definition thereof, and (ii) any other amounts due as Administrative Expenses payable at the times set forth herein or in the Project Agreements, as the case may be. Upon receipt, the Trustee shall promptly forward the Administrative Fee, other than that due under subsection (A) of the definition thereof, to the Authority and other amounts due as Administrative Expenses to the party on whose behalf such payments were made. The Authority shall utilize moneys paid to it as its Administrative Fee from time to time to pay the operating expenses of the Authority; provided, however, that in any Bond Year the moneys so paid to it as its Administrative Fee shall, to the extent possible, be applied by the Authority in satisfaction of the operating expenses of the Authority arising under this Lease Revenue Bond Resolution and the Pooled Program Bond Resolution in such Bond Year before such moneys may be applied in satisfaction of the other operating expenses of the Authority arising in such Bond Year.

SECTION 5.04. Revenues. All Revenues shall be promptly deposited to the credit of the Revenue Fund and all transfers from such Fund shall be made only in accordance with this Article V.

SECTION 5.05. Revenue Fund.

1. Any funds transferred to the Trustee from the Pooled Trustee pursuant to Section 5.02(2) of the Pooled Bond Resolution shall be deposited in the respective Local Unit Revenue Accounts in the Revenue Fund pursuant to each Local Unit's Allocable Share.

1. On each Basic Lease Payment Date or Authority Pooled Program Bond Loan Repayment Date, the Trustee shall deposit each Basic Lease Payment or Authority Pooled Bond Loan Repayment, as the case may be, made by the Local Units pursuant to the terms of the respective Lease Agreement or Loan Agreement for immediate credit in the respective Local Unit Revenue Accounts in the Revenue Fund. To the extent the moneys received by the Trustee from the Local Units are, deficient in whole or in part, the Trustee shall immediately notify (i) the Local Unit, of such deficiency and of the Local Unit's obligations under its Local Unit Guaranty and (ii) the Authority and the County of such deficiency. Thereafter, any moneys received by the Trustee from such deficient Local Unit under the Lease Agreement or Loan Agreement executed by or the Local Unit Guaranty adopted by or on behalf of, as the case may be, such deficient Local Unit representing past due Basic Lease Payments or Authority Pooled Program Loan Repayments, as the case may be, including any interest thereon at the Overdue Rate under such Lease Agreement or Loan Agreement or amounts due under the Local Unit Guaranty shall be immediately credited to the Local Unit Revenue Account of such deficient Local Unit. Amounts payable at the Overdue Rate shall, subject to the provisions of Sections 5.06(4)(b) hereof and 5.03(5)(b) of the Pooled Program Bond Resolution, be immediately paid by the Trustee to the Authority.

2. On or prior to each Interest Payment Date, the Trustee shall transfer from moneys on deposit in the respective Local Unit Revenue Accounts in the Revenue Fund to the respective Local Unit Interest Subaccounts in the Interest Account of the Debt Service Fund, the

amount which, together with the amounts, if any, already on deposit in the respective Local Unit Interest Subaccounts in the Interest Account of the Debt Service Fund, is equal to the interest due and payable on each respective Series of Bonds on such Interest Payment Date.

3. On or prior to each Principal Payment Date, the Trustee shall transfer from moneys on deposit in the respective Local Unit Revenue Accounts in the Revenue Fund to the respective Local Unit Principal Subaccounts in the Principal Account of the Debt Service Fund, the amount which, together with the amounts, if any, already on deposit therein, is equal to the principal due and payable on each respective Series of Bonds on such Principal Payment Date.

4. Any payment received by the Trustee pursuant to Section 5.03(5)(b)(iv) of the Pooled Program Bond Resolution shall be credited to the Local Unit Revenue Account of any such deficient Local Unit referred to therein.

5. The Trustee shall keep records and accounts with respect to the Revenue Fund so that all amounts received by the Trustee from the Local Units under (a) the Lease Agreement can be properly designated as (i) the Interest Portion of Basic Lease Payments or the Principal Portion of Basic Lease Payments from such Local Units, (ii) the other amounts payable under the Lease Agreement as Additional Lease Payments from such Local Units or investment earnings attributable to such amounts and (iii) the principal and interest portions of Mandatory Purchase Price and Purchase Option Price payments and under (b) the Loan Agreement can be properly designated as (i) the Interest Portion of Authority Pooled Program Bond Loan Repayment or the Principal Portion of Authority Pooled Program Bond Loan Repayment from such Local Units, (ii) the other amounts payable under the Loan Agreements as Interest on the Loan from such Local Units or investment earnings attributable to such amounts and (iii) the principal and interest portions of any mandatory or Optional Prepayment Amounts of the Authority Pooled Program Bond Loan Repayment pursuant to Section 3.06 and Article V of the Loan Agreement.

SECTION 5.06. Debt Service Fund.

1. On each Interest Payment Date, the Trustee shall withdraw from the respective Local Unit Interest Subaccounts in the Interest Account of the Debt Service Fund amounts equal to the interest due on each respective Series of Bonds or the Borough of Rockaway Bond on such Interest Payment Date. Such moneys shall be transferred from the Trustee to the Paying Agent and further transferred by the Paying Agent to the Pooled Trustee pursuant to Section 5.03(1) of the Pooled Program Bond Resolution.

2. On each Principal Payment Date, the Trustee shall make available to the Paying Agent from moneys in the respective Local Unit Principal Subaccounts in the Principal Account of the Debt Service Fund an amount which is equal to the principal or Redemption Price of each respective Series of Bonds due on such Principal Payment Date. Such moneys shall be transferred from the Trustee to the Paying Agent and further transferred by the Paying Agent to the Pooled Trustee pursuant to Section 5.03(2) of the Pooled Program Bond Resolution.

3. (a) On any Interest Payment Date or any Principal Payment Date, to the extent moneys on deposit in the respective Local Unit Interest Subaccounts or Local Unit Principal Subaccounts are insufficient to make any payment of interest or principal on the Series 2011A Bonds and the Borough of Rockaway Bond, respectively, due on any such Interest Payment Date or Principal Payment Date, the Trustee shall immediately notify the respective Local Units of any such deficiency in the respective Local Unit Interest Subaccounts or Local Unit Principal Subaccounts created hereunder. Any such transfer should be made by 9:15 a.m. on any such Interest Payment Date or Principal Payment Date, as applicable, and in any event before any recourse is taken against the Applicable Local Unit Guaranty.

4. (a) On any Interest Payment Date or any Principal Payment Date, to the extent moneys on deposit in the respective Local Unit Interest Subaccounts or Local Unit Principal Subaccounts are insufficient to make any payment of interest or principal on the respective Series of Bonds or the Borough of Rockaway Bond due on any such Interest Payment Date or Principal Payment Date, the Trustee shall immediately notify the respective Local Units of any such deficiency in the respective Local Unit Interest Subaccounts or Local Unit Principal Subaccounts created hereunder, as the case may be, and such Local Units shall, in accordance with the terms of the Applicable Local Unit Guaranty, immediately forward the amount of such deficiency to the Trustee no later than 9:30 a.m. on such Interest Payment Date or Principal Payment Date for deposit in the Applicable Local Unit Interest Subaccount or Applicable Local Unit Principal Subaccount, as the case may be.

Upon its receipt of payments under the Applicable Local Unit Guaranty, the Trustee shall, similar to subsections 1 or 2, as applicable, above, make such moneys available to the Paying Agent for prompt payment of the interest on or the principal of such Applicable Series of Bonds no later than 9:30 a.m. on any such Interest Payment Date or Principal Payment Date. To the extent the Trustee is aware of any such deficiency in Local Unit payments at any time during which any such Local Unit payments are deficient in whole or in part, the Trustee shall (i) immediately notify the Pooled Trustee and keep the Pooled Trustee continuously informed of same, (ii) notify the Pooled Trustee, in writing via telecopy or other similar medium two (2) Business Days immediately preceding any such Interest Payment Date or Principal Payment Date, as the case may be, (a) of such deficiency and of the deficiency in payment of the Authority Pooled Program Bonds that will result from such deficiency and (b) of the County's obligation to pay such Authority Pooled Program Bonds deficiency to the Pooled Trustee in case such deficiency remains, in whole or in part, on any such immediately succeeding Interest Payment Date or Principal Payment Date, as the case may be, and (iii) immediately notify the Pooled Trustee to make all arrangements with the County in order for the County to make timely payment on the Authority Pooled Program Bonds resulting from any such Local Unit payment deficiency on any such Interest Payment Date or Principal Payment Date of the Authority Pooled Program Bonds, as the case may be.

(b) To the extent any such Local Unit has paid principal of or interest on its Applicable Series of Bonds or the Borough of Rockaway Bond under its Local Unit Guaranty, moneys received by the Trustee from the Local Units representing past due Basic Lease Payments or Authority Pooled Program Bond Loan Repayments, as the case may be, including any interest thereon at the Overdue Rate under such Lease Agreement or Loan Agreement, which past due status caused the Local Unit to pay under its Local Unit Guaranty, shall be (i) forwarded first, to the Local Unit which has made payment of principal of or interest on the Bonds under its Local Unit Guaranty as a result of any such deficiency, to the extent of such payment, (ii) forwarded second, to the Authority to the extent of payments at the Overdue Rate and (iii) retained by the Trustee for deposit in the Applicable Local Unit Revenue Account, unless the Local Unit causing the deficiency is the Borough of Rockaway, in which case such excess should be transferred to the trustee or any paying agent for or the issuer of the Borough of Rockaway Bonds.

SECTION 5.07. General Fund. On the first day of each Bond Year beginning August 15, 2011 with respect to the Series 2011A Bonds, Series 2011A Notes and the Borough of Rockaway Bonds, the Trustee shall deposit in the General Fund all moneys then remaining in the Applicable Local Unit Revenue Accounts and not earmarked as credits to future Basic Lease Payments or Authority Pooled Program Bond Loan Repayments, as the case may be, pursuant to Section 5.09 hereof and provided, however, that all transfers from the Revenue Fund required pursuant to subsections (3) and (4) of Section 5.05 hereof and the fourth paragraph of Section 5.09 hereof shall have been made. Moneys on deposit in the General Fund may be applied by the Authority upon written requisition from the Authority to the Trustee, in accordance with the Act for any of its corporate purposes. Such requisition shall state that the Authority is requesting such moneys pursuant to the provisions of this Section.

SECTION 5.08. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee or the Paying Agent for the account of any Fund, Account or Subaccount that is designated with the prefix of any particular Local Unit and that is established under any provision of this Lease Revenue Bond Resolution for the Bonds or the Borough of Rockaway Bond in accordance with the terms of this Lease Revenue Bond Resolution, other than the Applicable Local Unit's Administrative Expense Subaccount, but only to the extent of the Administrative Fee, shall be held by the Trustee or the Paying Agent, as the case may be, in trust for the Holders of the Series of Bonds or the Borough of Rockaway Bond Applicable to such Local Unit and shall constitute part of such Local Unit's Trust Estate or the Borough of Rockaway Trust Estate, as the case may be, while held by the Trustee or the Paying Agent. All moneys required to be deposited with or paid to the Trustee or the Paying Agent for the account of any other Fund, Account or Subaccount that is not designated with the prefix of any particular Local Unit and that is established under any provision of this Lease Revenue Bond Resolution for the Bonds or the Borough of Rockaway Bond in accordance with the terms of this Lease Revenue Bond Resolution, other than the Rebate Fund, shall be held by the Trustee or the Paying Agent, as the case may be, in trust for the Holders of each Series of Bonds or the Borough of Rockaway Bonds Outstanding in the Allocable Share attributable to the Local Unit for whose benefit such Series of Bonds or the Borough of Rockaway Bonds was issued and shall constitute part of such

Local Unit's Trust Estate or the Borough of Rockaway Trust Estate, as the case may be, while held by the Trustee or the Paying Agent. Notwithstanding the prior provisions of this Section 5.08, moneys deposited with or held by the Trustee or the Paying Agent for the payment of the principal of or interest on Bonds or the Borough of Rockaway Bonds on or after the date on which such amounts shall have become due shall be held and applied solely for the payment of such Bonds or the Borough of Rockaway Bond or the payment of such interest.

SECTION 5.09. Investments. All moneys in any of the Funds, Accounts and Subaccounts created under this Lease Revenue Bond Resolution shall be invested by the Trustee as directed by the Authority in writing, subject to the further provisions of this Section. The Trustee may conclusively rely upon such written direction of the Authority as to any and all investments.

Moneys in all Funds, Accounts and Subaccounts created under this Lease Revenue Bond Resolution, other than the Debt Service Fund and the Accounts and Subaccounts established therein, shall be invested in Investment Securities, the principal of and the interest on which are payable not later than the dates on which it is estimated, by the Authority, that such moneys will be required hereunder. Moneys in the Debt Service Fund and the Accounts and Subaccounts established therein and moneys in any Fund, Account or Subaccount that are to be applied to the payment of any principal or redemption premium of or interest on any Authority Pooled Program Bonds, in connection with any optional redemption authorized under Section 4.02(A) hereunder shall be invested in Investment Securities of the type described in clause (i) of the definition thereof, or any such fund (of the Trustee or otherwise) consisting wholly of said securities, to the extent rated in the highest rating category by the Rating Agencies.

All interest, profits and other income earned and received by the Trustee and the Authority, as appropriate, net of any losses suffered (herein called the "net earnings"), from the investment of moneys in any Fund, Account or Subaccount shall be retained in and treated as part of such Fund, Account or Subaccount and applied in accordance with the Sections of this Lease Revenue Bond Resolution governing such Funds, Account or Subaccount. For the purpose of determining the amount in any Fund, Account or Subaccount at any time in accordance with this Lease Revenue Bond Resolution, all Investment Securities credited to such Fund, Account or Subaccount shall be valued at the lesser of cost (exclusive of accrued interest) or market value.

The Authority may direct the Trustee to withdraw and utilize earnings in any Fund or Account other than the Interest Account and the Principal Account in the Debt Service Fund to pay into the Rebate Fund held by the Authority any amounts desired by the Authority or required pursuant to the Code to be set aside for rebate to the Internal Revenue Service, as outlined in the Tax Certificate or any letter of instructions referred to in Section 8.06(2) hereof. The Authority shall submit to the Trustee a certificate specifying the Funds, Account or Subaccount and the amount of earnings to be withdrawn for purposes of rebate, and the Trustee shall be entitled to rely on each such certificate in making payments to the Authority.

The Trustee may act as principal or agent in the acquisition or disposition of any Investment Securities. The Trustee shall exercise its best efforts to sell at the best price obtainable, or present for redemption, any Investment Securities to the credit of any Fund, Account or Subaccount created under this Lease Revenue Bond Resolution, whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from such Fund, Account or Subaccount and the Trustee shall not be liable for any loss resulting from such necessary sale so made of such investments.

SECTION 5.10. Reserved.

ARTICLE VI

THE LEASE AGREEMENT; THE LOAN AGREEMENT; CONTINUING DISCLOSURE AND OFFICIAL STATEMENTS

SECTION 6.01. Terms and Conditions of Lease Agreement and Loan Agreement. The Authority hereby authorizes the Trustee to disburse funds to the Local Units from the Acquisition Fund in accordance with the terms set forth herein and in the Lease Agreement for the purpose of acquiring and installing the Equipment. Consequently, the Authority shall enter into the Lease Agreement and the Loan Agreement in the manner, on the terms and conditions and upon submission of the documents required by this Article VI, and not otherwise.

SECTION 6.02. Form of Lease Agreement and Loan Agreement. The Lease Agreement shall be substantially in the form of Exhibit A hereto and the Loan Agreement shall be substantially in the form of Exhibit B hereto, with such changes therein as shall be approved by the Authority, as evidenced by the execution thereof by an Authorized Officer of the Authority; provided, however, that the Lease Agreement and the Loan Agreement, shall in any event conform in all material respects to the provisions of this Article VI.

SECTION 6.03. Lease Payments and Loan Repayments. The Authority shall establish Lease Payments under the Lease Agreement and Loan Payments under the Loan Agreement, in such amounts that, together with any amounts available and required to be treated as credits thereunder or under this Pooled Program Bond Resolution, shall be sufficient to pay (i) the principal and redemption premium, if any, of and the interest on all Series of Bonds and the Borough of Rockaway Bond as the same become due and payable and (ii) the Adminstrative Expenses attributable to the Authority Pooled Program Bonds as the same become due and payable.

SECTION 6.04. Continuing Disclosure. Prior to the issuance of the Bonds, the Authority, pursuant to the sole discretion of the Chairperson of the Authority, in consultation with Bond Counsel, general counsel and any other applicable advisors to the Authority, shall determine if any Local Unit is a material "obligated person" within the meaning and for the purposes of Rule 15c2-12, based upon the following criteria hereby established as the means of satisfying the meaning and purposes of Rule 15c2-12: Local Units shall be considered to be material "obligated persons" if their debt service payments scheduled to be made pursuant to applicable Series of Bonds or the Borough of Rockaway Bonds in any fiscal year of the Local Units after June 30, _____ equal or exceed ten percent (10%) of the debt service scheduled to be paid with respect to the Authority Pooled Program Bonds in such fiscal year.

In light of the ability of Local Units to prepay their applicable Series of Bonds or the Borough of Rockaway Bonds, the Authority shall also make this determination from time to time when circumstances may warrant, such that at no time prior to the final maturity (stated

or otherwise) of any such Series of Bonds will a Local Unit that was not originally determined to be a material “obligated person” upon the date of issuance of the Authority Pooled Program Bonds constitute a material “obligated person” subsequently, unless any such Local Unit shall have promptly entered into a Local Unit Continuing Disclosure Agreement with the Authority upon any such subsequent material “obligated person” determination.

Each Local Unit determined by the Authority to be a material "obligated person" based upon the criteria set forth herein shall be required to enter into a Local Unit Continuing Disclosure Agreement, with a term as specified therein, by and among such Local Unit, the Authority and the Pooled Trustee, substantially in the form attached hereto as Exhibit C-1 hereto for Municipal/County Local Units and as Exhibit C-2 hereto for School District Local Units, with such changes therein as shall be approved by the Authority, as evidenced by the execution thereof by an Authorized Officer of the Authority. The obligations of the respective obligated Local Units under any such Local Unit Continuing Disclosure Agreement shall commence in the fiscal year following the fiscal year when the debt service payments scheduled to be made by such obligated Local Unit pursuant to its applicable Series of Bonds or the Washington School Bonds, as the case may be, equals or exceeds ten percent (10%) of the debt service scheduled to be paid with respect to the Authority Pooled Program Bonds in such fiscal year, and shall terminate in the fiscal year following the fiscal year when the payments scheduled to be made by any such obligated Local Unit pursuant to its Local Unit Refunding Bond no longer equals or exceeds ten percent (10%) of the debt service scheduled to be paid with respect to the Authority Pooled Program Bonds in such fiscal year. Upon any such termination, such obligated Local Unit shall provide notice of such termination in accordance with the terms of the applicable Local Unit Continuing Disclosure Agreement.

The County is hereby determined by the Authority to be an “obligated person” for purposes of Rule 15c2-12 in its capacity as issuer of the County Guaranty.

The Authority hereby determines that it is not an "obligated person". Nevertheless, the Authority hereby covenants to provide notice of Bond Disclosure Events (as defined in the Local Unit Continuing Disclosure Agreements), if material, with respect to the Authority Pooled Program Bonds to each Nationally Recognized Municipal Securities Information Repository recognized by the SEC or to the Municipal Securities Rulemaking Board and the State Information Depository, if any, recognized by the SEC.

Notwithstanding any provision to the contrary in Article XI hereof, the Authority may amend or supplement this Section 6.04 to comply with any amendment, supplement, modification, termination or other change to Rule 15c2-12.

ARTICLE VII

SERVICING OF LEASE PAYMENTS AND LOAN PAYMENTS

SECTION 7.01. Defaults Under Lease Agreement and the Loan Agreement. The Trustee shall notify the Authority and the County (i) of its failure to receive any Lease Payment or Loan Payment, if any, of the Local Units due under the Lease Agreement or the Loan Agreement, in which case the Applicable Local Unit shall be notified by the Trustee that any such guarantor will be liable, absent any such payment, to cover any such deficiency under its Applicable Local Unit Guaranty on the immediately succeeding Interest Payment Date or Principal Payment Date, as the case may be, (ii) that to the extent the Trustee does not receive any such deficient Lease Payment or Loan Payment prior to the immediately succeeding Interest Payment Date or Principal Payment Date, as the case may be, the County will be liable under its County Guaranty for the payment of any such deficiency on any such date and (iii) of any other Event of Default under the Lease Agreement or Loan Agreement known to the Trustee.

After the occurrence of any Event of Default under any Lease Agreement or Loan Agreement, the Trustee shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms and conditions of the Applicable Lease Agreement or Loan Agreement, including (without limitation) the prompt payment of all Applicable Lease Payments or Loan Payments and all other amounts due the Authority, and the observance and performance of all duties, covenants, obligations and agreements, thereunder.

The Trustee shall not release the duties, covenants, obligations or agreements of the Local Units under the Lease Agreement or Loan Agreement and shall at all times, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of the Authority and the Holders of the Bonds of each Series applicable to such Local Unit under or with respect to the Lease Agreement and the Loan Agreement; provided, however, that this provision shall not be construed to prevent the Trustee (with the consent of the Authority) from settling a default under the Lease Agreement or the Loan Agreement on such terms as the Trustee shall determine to be in the best interests of the Authority and such Holders. The Authority hereby appoints the Trustee its agent and attorney-in-fact for purposes of enforcing all rights, title and interests of the Authority under the Lease Agreement and the Loan Agreement, except for its Reserved Rights.

SECTION 7.02. Termination of Lease Agreement and the Loan Agreement. Upon the payment in full of all amounts due under any Lease Agreement or Loan Agreement and upon the satisfaction of the provisions of Section 4.2 of any such Lease Agreement or Section 404 of the Loan Agreement, as the case may be, the Authority shall cancel the obligation of any such Local Unit evidenced by any such Lease Agreement or Loan Agreement and terminate and release all security interests and liens created under any such Lease Agreement or Loan Agreement and the Authority and the Trustee shall take any other action required of the Authority or the Trustee in the Lease Agreement or Loan Agreement in connection with such cancellation, termination and

release, including (without limitation) the execution of all relevant documents in connection with such actions.

SECTION 7.03. Files. The Trustee shall keep a file for all records and other documents pertaining to disbursements of amounts to the Local Units or their designees under the Lease Agreement or the Loan Agreement, to Lease Payments or Loan Payments and other amounts received by the Trustee under the Lease Agreement and the Loan Agreement and all communications from or received by the Trustee with respect to the Projects. Such file shall be kept at the principal corporate trust office of the Trustee through the final maturity of the Bonds and shall be available for inspection by the Authority, the Local Units and the County and their respective agents at reasonable times and under reasonable circumstances.

SECTION 7.04. The Trustee's Obligations. The Trustee shall observe and perform all duties, covenants, obligations and agreements of the Authority under the Lease Agreement and the Loan Agreement to the extent specified herein. Notwithstanding the preceding sentence, the Trustee shall have no duty to acquire or install the Equipment or acquire, construct, renovate or install the Improvements, as the case may be.

ARTICLE VIII

GENERAL COVENANTS

SECTION 8.01. Payment of Bonds; Special Obligations of Authority. The Authority shall pay or cause to be paid the principal of and interest on every Bond of each Series on the date, at the place and in the manner provided herein, in the Applicable Supplemental Resolution and in such Bonds, according to the true intent and meaning thereof; provided, however, that the Bonds of each Series are special obligations of the Authority, the principal and redemption premium, if any, of and interest on which are payable solely from the respective Local Unit Trust Estates.

The Bonds of each Series shall not be payable from the general funds of the Authority and shall not constitute a legal or equitable pledge of, or lien or encumbrance upon, any of the assets or property of the Authority or upon any of its income, receipts or revenues, except as provided in this Lease Revenue Bond Resolution. The full faith and credit of the Authority are not pledged, either expressly or by implication, to the payment of the Bonds. The Authority has no taxing power and has no claim on any revenues or receipts of the State of New Jersey or any agency or political subdivision thereof or of the Local Units (except as expressly provided in the Lease Agreement and the Loan Agreement regarding Lease Payments or Loan Payments, as the case may be, and the Local Unit Guaranties).

SECTION 8.02. Observance and Performance of Duties, Covenants, Obligations and Agreements; Representations as to Authorization and Validity of the Bonds. The Authority shall faithfully observe and perform at all times all of its duties, covenants, obligations and agreements contained in the Lease Agreement and the Loan Agreement and in any Bond executed, authenticated and delivered under this Lease Revenue Bond Resolution and any Supplemental Resolution or in any proceedings of the Authority pertaining thereto.

The Authority represents and covenants that: (i) it is duly authorized under the Constitution and laws of the State of New Jersey, particularly the Act, to issue the Bonds of each Series, to enter into the Lease Agreement and the Loan Agreement and to pledge the respective Local Unit Trust Estates in the manner and to the extent set forth in this Lease Revenue Bond Resolution and as shall be set forth in any Supplemental Resolution; (ii) all action on its part for the issuance of the Bonds of each Series will be duly and effectively taken; and (iii) the Bonds of each Series in the hands of the Holders thereof will be valid and binding special obligations of the Authority enforceable according to their terms.

SECTION 8.03. Liens, Encumbrances and Charges. The Authority shall not create or cause to be created and shall not suffer to exist, any lien, encumbrance or charge upon the respective Local Unit Trust Estates except the pledge, lien and charge created for the security of Holders of the Bonds of each respective Series. To the extent Revenues are received, the Authority will cause to be discharged, or will make adequate provision to satisfy and discharge,

within sixty (60) days after the same shall accrue, all lawful claims and demands that if unpaid might by law become a lien upon the respective Local Unit Trust Estates; provided, however, that nothing contained in this Section shall require the Authority to pay or cause to be discharged, or make provision for, any such lien, encumbrance or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

So long as Bonds of any Series shall be Outstanding, the Authority shall not issue any bonds, notes or other evidences of indebtedness, other than such Bonds, secured by any pledge of or other lien or charge on the respective Local Unit Trust Estates. Nothing in this Lease Revenue Bond Resolution is intended to or shall affect the right of the Authority to issue bonds, notes and other obligations under other resolutions or indentures for any of its other purposes.

SECTION 8.04. Accounts and Audits. The Authority shall keep, or cause to be kept, proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to each Lease Agreement, the Loan Agreement, this Lease Revenue Bond Resolution and any Supplemental Resolution, which books and accounts (at reasonable hours and subject to the reasonable rules and regulations of the Authority) shall be subject to the inspection of the Trustee, the Local Units, any Holder of any Bonds or the County or their agents or representatives duly authorized in writing. The Authority shall have the right to cause such books and accounts to be audited annually within ninety (90) days after the end of its fiscal year by a nationally recognized independent certified public accountant selected by the Authority. Annually within thirty (30) days after the receipt by the Authority of the report of such audit, a signed copy of such report shall be furnished to the Trustee. Such report shall include at least: (i) a statement of all Funds, Accounts and Subaccounts (including investments thereof) held by the Trustee pursuant to the provisions of this Lease Revenue Bond Resolution; (ii) a statement of the Revenues collected in connection with this Lease Revenue Bond Resolution; and (iii) a statement that, in making such audit, no knowledge of any default in the fulfillment of any of the terms, covenants or provisions of this Lease Revenue Bond Resolution was obtained, or if knowledge of any such default was obtained, a statement thereof.

SECTION 8.05. Further Assurances. The Authority will pass, make, do, execute, acknowledge and deliver any and all such further resolutions, indentures, actions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Lease Revenue Bond Resolution and for the better assuring and confirming unto the Holders of Bonds and the County the rights and benefits provided in this Lease Revenue Bond Resolution.

SECTION 8.06. Tax Rebate.

1. In connection with the issuance of any Series of Bonds an Authorized Officer of the Authority is authorized to execute on behalf of the Authority (i) the Tax Certificate and (ii) any similar documents relating to the characterization of such Series of Bonds as not being "arbitrage bonds" within the meaning of Sections 103(a)(2) and 148 of the Code.

2. Any amounts required to be set aside for rebate to the Internal Revenue Service pursuant to the Letter of Instructions or Tax Certificate shall be considered a loss for purposes of determining "net earnings" pursuant to Section 5.09 hereof.

SECTION 8.07. Application of Basic Lease Payment Prepayments and Authority Pooled Program Bond Loan Repayment. Upon the prepayment, in whole or in part, of Basic Lease Payments or Authority Pooled Program Bond Loan Repayments due and owing under the Lease Agreement at the then applicable Purchase Option Price or Optional Prepayment Amount, the Authority shall apply or cause the application of such prepayment proceeds to the payment of Bonds in accordance with Section 12.01 hereof or with the redemption provisions hereof. The Authority may only consent to such prepayments pursuant to any Lease Agreement, if it simultaneously delivers to the Trustee (i) a certificate of an independent public accountant demonstrating that the aggregate Basic Lease Payments due pursuant to such Lease Agreement after such prepayment shall be sufficient to pay when due the principal of and interest on all of the Applicable Series of Bonds Outstanding after giving effect to the Authority's election required in the immediately preceding sentence, and (ii) irrevocable instructions to effectuate the application of the prepayment proceeds. The Authority shall give notice to the Rating Agency of any such Basic Lease Payment prepayments and its application of the proceeds thereof.

SECTION 8.08 Reimbursement. To the extent the Local Units will incur and pay certain Costs of the Projects prior to the issuance of the Bonds, the respective Local Units will temporarily fund such Costs from their respective general tax revenues, which fund in which such general tax revenues are deposited, will, upon issuance of the Bonds, be reimbursed from a portion of the proceeds of the Bonds.

ARTICLE IX

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

SECTION 9.01. Defaults; Events of Default. If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default" for the Bonds of any Applicable Series then Outstanding with respect to subsections (a), (b) and (c) below and for all Outstanding Bonds with respect to subsections (d), (e) and (f) below:

(a) default in the due and punctual payment of any interest on any Bond of any Series; or

(b) default in the due and punctual payment of the principal or redemption premium, if any, of any Bond of any Series; or

(c) if (i) any Local Unit shall be adjudicated a bankrupt or become subject to an order for relief under federal bankruptcy law, (ii) any Local Unit shall institute a proceeding seeking an order for relief under federal bankruptcy law or seeking to be adjudicated a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or all of its debts under New Jersey bankruptcy or insolvency law, (iii) with the consent of any Local Unit, there shall be appointed a receiver, liquidator or similar official for any local unit under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or (iv) without the application, approval or consent of any Local Unit, a receiver, trustee, liquidator or similar official shall be appointed for any Local Unit under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or (v) a proceeding described in clause (ii) above shall be instituted against any Local Unit and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) consecutive days; or

(d) if (i) the Authority shall be adjudicated a bankrupt or become subject to an order for relief under federal bankruptcy law, (ii) the Authority shall institute a proceeding seeking an order for relief under federal bankruptcy law or seeking to be adjudicated a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or all of its debts under New Jersey bankruptcy or insolvency law, (iii) with the consent of the Authority, there shall be appointed a receiver, liquidator or similar official for the Authority under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or (iv) without the application, approval or consent of the Authority, a receiver, trustee, liquidator or similar official shall be appointed for the Authority under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or (v) a proceeding described in clause (ii) above shall be instituted against the Authority and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) consecutive days; or

(e) if (i) the Authority shall make an assignment for the benefit of creditors, (ii) the Authority shall apply for or seek the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (iii) the Authority shall fail to file an answer or other pleading denying the material allegations of any proceeding filed against it described under clause (ii) of paragraph (c) of this Section, (iv) the Authority shall take any action to authorize or effect any of the actions set forth in paragraph (c) or (d) of this Section, (v) the Authority shall fail to contest in good faith any appointment or proceeding described in paragraph (c) or (d) of this Section or (vi) without the application, or approval or consent of the Authority, a receiver, trustee, examiner, liquidator or similar official shall be appointed for any substantial part of the Authority's property and such appointment shall continue undischarged or such proceedings shall continue undismissed or unstayed for a period of thirty (30) consecutive days; or

(f) the Authority shall default in the performance or observance of any other of the duties, covenants, obligations, agreements or conditions on the part of the Authority to be performed or observed under this Lease Revenue Bond Resolution or the Bonds of each Series, which default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall be given to the Authority by the Trustee or the Bondholders in accordance with Section 9.09 hereof.

An Event of Default occurring under Section 9.01(a), (b) or (c) with regard to any particular Series of Bonds shall not constitute an Event of Default under any other Series of Bonds authorized hereunder. An Event of Default occurring under Section 9.01(d), (e) or (f) shall constitute an Event of Default under each Series of Bonds authorized hereunder.

SECTION 9.02. Acceleration of Bonds; Remedies. If an Event of Default described in Section 9.01 hereof shall occur for any Series of Bonds, the Trustee may, and at the written request of the Holders of not less than 25% in aggregate principal amount of the Outstanding Bonds of any such Series shall, by telephonic notice to the Authority (promptly confirmed in writing) declare the principal of all Bonds of such Series then Outstanding to be due and payable; provided, however, that before making such declaration, the Trustee shall give thirty (30) days notice to the Authority. Upon any such declaration, the Trustee shall forthwith give notice thereof to the Local Unit for whose benefit such Series of Bonds was issued, the County and the Paying Agent.

At any time after the principal of the Bonds of any Series shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such Event of Default, or before the completion of the enforcement of any other remedy under this Lease Revenue Bond Resolution, the Trustee, by written notice to the Authority, may annul such declaration and its consequences if: (i) moneys shall have accumulated in the Applicable Local Unit Interest Subaccount and the Applicable Local Unit Principal Subaccount in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds of such Series (except the interest accrued on such Series of

Bonds since the last Interest Payment Date) and the principal then due on all Bonds of such Series (except the principal on any such Series of Bonds due solely as a result of any such declaration of acceleration); (ii) moneys shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; and (iii) every other default known to the Trustee in the observance or performance of any duty, covenant, obligation, condition or agreement contained in the Bonds or in this Lease Revenue Bond Resolution, except for any duty, covenant, obligation, condition or agreement which is solely attributable to any other Series of Bonds, shall have been remedied to the satisfaction of the Trustee; provided, however, that such declaration may be annulled only with the written consent of the Holders of not less than 25% in aggregate principal amount of the Bonds of such Series that are Outstanding and not then due by their terms. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Upon the occurrence of an Event of Default, the Trustee shall also have the following rights and remedies:

(a) the Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal and redemption premium, if any, of and interest on the Bonds of such Series then Outstanding, including (without limitation) enforcement of any rights of the Authority or the Trustee under the Applicable Lease Agreement or Loan Agreement, as the case may be;

(b) the Trustee by action or suit in equity may require the Authority to account as if it were the Trustee of an express trust for the Holders of Bonds of such Series and may take such action with respect to the Applicable Lease Agreement or Loan Agreement, as the case may be, as the Trustee deems necessary or appropriate and in the best interest of the Holders of Bonds of such Series, subject to the terms of such Lease Agreement or Loan Agreement, as the case may be; and

(c) upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Holders of Bonds of such Series under this Lease Revenue Bond Resolution, the Trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the Applicable Local Unit Trust Estate and the issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) the Trustee shall be entitled to obtain an environmental inspection report with respect to any real property included in the Applicable Local Unit Trust Estate.

If an Event of Default shall have occurred with respect to any Series of Bonds, and if requested so to do by the Holders of a majority in principal amount of the Bonds of such Series then Outstanding, and upon being indemnified to its reasonable satisfaction therefor, the Trustee shall be obligated to exercise such one or more of the rights, remedies and powers conferred by

this Section as the Trustee shall deem most expedient in the interests of the Holders of Bonds of such Series.

No right or remedy by the terms of this Lease Revenue Bond Resolution conferred upon or reserved to the Trustee (or to the Holders of Bonds) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to such Holders hereunder or now or hereafter existing at law or in equity or by statute other than pursuant to the Act. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Holders of any Bonds in default, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

The Holders of any particular Series of Bonds acknowledge, by their purchase of the Bonds of such Series and without any further action by any party, that the remedies available under this Article IX for the benefit of the Holders of any other Series of Bonds arising from any Event of Default occurring with respect to such other Series of Bonds shall, to the extent in conflict with the rights of the Holders of the Bonds of any Series which do not constitute an Event of Default, supersede any and all rights of the Holders of Bonds of a Series not under an Event of Default.

SECTION 9.03. Right of Holders of a Series of Bonds to Direct Proceedings. Anything in this Lease Revenue Bond Resolution to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of Bonds in default then Outstanding shall have the right at any time during the continuance of an Event of Default of such Bonds, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Lease Revenue Bond Resolution, or for the appointment of a receiver or any other proceedings hereunder; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of this Lease Revenue Bond Resolution.

SECTION 9.04. Application of Moneys. All moneys received by the Trustee pursuant to any right or remedy given or action taken under the provisions of this Article upon any acceleration of the due date for the payment of the principal of and interest on the Bonds of any Series in default (including, without limitation, moneys received by virtue of action taken under the provisions of the Applicable Lease Agreement, after payment of the costs and expenses of the

proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee and any other moneys owed to the Trustee in connection with such Series of Bonds hereunder), shall be applied first, to the payment of the principal and interest then due and unpaid upon the Bonds of such Series in default, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond of such Series over any other Bond of such Series, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Holder of any Bond of any Series in default until such obligation shall be presented to the Trustee for appropriate endorsement or for cancellation, as the case may be.

SECTION 9.05. Remedies Vested in the Trustee. All rights of action (including, without limitation, the right to file proofs of claims) under this Lease Revenue Bond Resolution or under any of the Bonds of any Series in default may be enforced by the Trustee without possession of any of the Bonds of any Series or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee for the equal and ratable benefit of the Holders of all the Outstanding Bonds of any Series without the necessity of joining as plaintiffs or defendants any Holders of such Bonds.

SECTION 9.06. Rights and Remedies of Holders of Bonds. No Holder of Bonds of any Series then Outstanding in default shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Lease Revenue Bond Resolution or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) an Event of Default shall have occurred, (b) the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding of any Series shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) the Holders of such Series shall have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Trustee shall have refused, or for sixty (60) days after receipt of such request and offer of indemnification shall have failed to exercise the remedies hereinbefore granted, or to institute such action, suit or proceeding in its own name, and such request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of

the powers and trusts of this Lease Revenue Bond Resolution, and to any action or cause of action for the enforcement of this Lease Revenue Bond Resolution, or for the appointment of a receiver or for any other remedy hereunder. It is understood and intended that no one or more Holders of the Bonds of any Series shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Lease Revenue Bond Resolution by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Holders of all Bonds of any Series then Outstanding; provided, however, that nothing contained in this Lease Revenue Bond Resolution shall affect or impair the right of the Holder of any Bond of any Series to enforce the payment of the principal of and interest on such Bond at and after the maturity thereof, or the obligation of the Authority to pay the principal of and interest on each of the Bonds of any such Series issued hereunder to the respective Holders thereof at the time and place, from the source and in the manner expressed in the Bonds of any such Series, in this Lease Revenue Bond Resolution and in the Applicable Supplemental Resolution.

SECTION 9.07. Termination of Proceedings. In case the Trustee or a Holder of a Bond of any Series in default shall have proceeded to enforce any right under this Lease Revenue Bond Resolution by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or such Holder, then and in every such case the Authority, the Trustee and the Holders of any such Series of Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee and the Holders of any such Series of Bonds shall continue as if no such proceedings had been taken.

SECTION 9.08. Waivers of Events of Default. The Trustee may and, upon the written request of the Holders of 25% in aggregate principal amount of all Bonds of any Series in default then Outstanding, shall waive any Event of Default which in its opinion shall have been remedied before the completion of the enforcement of any remedy under this Lease Revenue Bond Resolution; but no such waiver shall extend to any subsequent or other Event of Default, or impair any rights consequent thereon.

SECTION 9.09. Notice of Certain Defaults; Opportunity of the Authority to Cure Defaults. Anything herein to the contrary notwithstanding, no Default under Section 9.01(f) hereof shall constitute an Event of Default until actual notice of such Default shall be given to the Authority by registered or certified mail by the Trustee or by the Holders of not less than 25% in aggregate principal amount of all Bonds of any such Series then Outstanding and the Authority shall not have corrected the Default or caused the Default to be corrected within thirty (30) days following the giving of such notice; provided, however, that if the Default be such that it is correctable but cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within the applicable period and diligently pursued until the Default is corrected.

The Authority hereby grants to the Trustee full authority for the account of the Authority to observe or perform any duty, covenant, obligation or agreement alleged in any alleged Default concerning which notice is given to the Authority under the provisions of this Section in the name and stead of the Authority with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts and with full power of substitution.

ARTICLE X

THE FIDUCIARIES

SECTION 10.01. Appointments, Duties, Immunities and Liabilities of Trustee. [Trustee], _____, has been appointed as Trustee by the Authority. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Lease Revenue Bond Resolution and all other agreements with the Authority by executing and delivering to the Authority a written acceptance thereof, and by executing such acceptance, the Trustee shall be deemed to have accepted such duties and obligations with respect to all the Bonds thereafter to be validly issued, but only, however, upon the terms and conditions set forth in this Lease Revenue Bond Resolution and the Lease Agreement.

SECTION 10.02. Paying Agents; Appointments.

1. The Trustee is hereby appointed Paying Agent for the Bonds. The Authority shall appoint one or more Paying Agents for the Bonds of each additional Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 10.13 hereof for a successor Paying Agent.

2. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Lease Revenue Bond Resolution by executing and delivering to the Authority and to the Trustee a written acceptance thereof.

3. Unless otherwise provided, the principal corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the Authority for the payment of the interest on and principal of the Bonds.

4. The Authority may, with the consent of the Paying Agent, enter into agreements with any Paying Agent providing for the payment to the Authority of amounts in respect of interest earned on moneys held by such Paying Agent for the payment of principal of and interest on Bonds. Any such payments to the Authority shall be deposited in the Revenue Fund and applied as Revenues.

SECTION 10.03. Responsibilities of Fiduciaries.

1. The recitals of fact contained herein and in the Bonds 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 representation as to the validity or sufficiency of this Lease Revenue Bond Resolution or of any Bonds issued hereunder or as to the security afforded by this Lease Revenue Bond Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of

any moneys paid 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, including without limitation proceeding with ultimate remedies such as foreclosure, or to advance any of its own moneys, unless properly indemnified by the County, the Bondholders, the Local Units or the Authority. Subject to the provisions of subsection 2 of this Section 10.03, no Fiduciary shall be liable in connection with the observance and performance of its duties and obligations hereunder except for its own gross negligence or willful misconduct.

2. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and obligations and only such duties and obligations as are specifically set forth in this Lease Revenue Bond Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers granted to it by this Lease Revenue Bond Resolution, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of this Lease Revenue Bond Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 10.03.

SECTION 10.04. Evidence on Which Fiduciaries May Act.

1. Each Fiduciary, upon receipt of any notice, Supplemental Resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Lease Revenue Bond Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Lease Revenue Bond Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with Counsel, who may or may not be counsel to the Authority, and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Lease Revenue Bond Resolution in good faith and in accordance herewith.

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

3. Except as otherwise expressly provided in this Lease Revenue Bond Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any

provision hereof by the Authority to any Fiduciary shall be sufficiently executed in the name of the Authority by an Authorized Officer of the Authority.

4. Whenever any Fiduciary shall receive any notice, Supplemental Resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it via telecopy pursuant to any provision of this Lease Revenue Bond Resolution, the Fiduciary shall accept same; provided, however, that the original of any notice, Supplemental Resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Lease Revenue Bond Resolution be shall be forwarded to the Fiduciary immediately thereafter.

SECTION 10.05. Compensation. The Authority shall pay each Fiduciary from time to time reasonable compensation for all services rendered under this Lease Revenue Bond Resolution, including without limitation the services rendered pursuant to Section 12.01 hereof, and also all reasonable expenses incurred in and about the performance of their powers and duties under this Lease Revenue Bond Resolution and each Fiduciary shall have a lien therefor on any and all Funds and Accounts, other than the Rebate Fund, at any time held by it under this Lease Revenue Bond Resolution. Subject to the provisions of Section 10.03 hereof, the Authority further agrees to indemnify and save each Fiduciary harmless against any losses, liabilities or expenses (including legal fees) which it may incur in the exercise and performance of its powers, duties and obligations hereunder, and which are not due to its gross negligence or willful misconduct, and that such indemnity shall survive the payment of the Bonds and the discharge of this Lease Revenue Bond Resolution.

SECTION 10.06. Certain Permitted Acts. Any Fiduciary may become the Holder of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds of any Series or this Lease Revenue Bond Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds of any Series then Outstanding.

SECTION 10.07. Resignation of Trustee.

1. The Trustee may at any time resign and be discharged of the duties and obligations created by this Lease Revenue Bond Resolution by giving not less than sixty (60) days' written notice to the Authority and the County, and mailing notice thereof to the Holders of the Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Authority or the Bondholders as provided in Section 10.09 hereof, in which event such resignation shall take effect immediately on the appointment of such successor, or unless a successor shall not have been appointed by the Authority or the

Bondholders as provided in Section 10.09 hereof on that date, in which event such resignation shall not take effect until a successor is appointed.

2. Upon the occurrence of an "Event of Default" under any of the Lease Agreement, this Lease Revenue Bond Resolution or the Pooled Program Bond Resolution, so long as the Trustee hereunder acts as the Pooled Trustee under the Pooled Program Bond Resolution, the Trustee shall immediately tender its resignation as Trustee hereunder and if applicable, its resignation as Paying Agent hereunder, in accordance with the terms hereof unless the Trustee can provide to the Authority and the County, an opinion of Counsel to the effect that no conflict of interest exists in holding the offices of Trustee and Pooled Trustee and if applicable, Paying Agent for the Bonds and Paying Agent for the Authority Pooled Program Bonds, in light of such "Event of Default."

SECTION 10.08. Removal of Trustee. The Trustee may be removed at any time 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 Bonds of each Series then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority. So long as no Event of Default, or any 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 (as determined in the sole judgment of the Authority) by a resolution of the Authority filed with the Trustee. Any such removal shall take effect upon the day specified in such instrument or concurrent instruments or resolution, as the case may be, unless previously a successor shall have been appointed by the Authority or the Bondholders as provided in Section 10.09 hereof, in which event such resignation shall take effect immediately on the appointment of such successor, or unless a successor shall not have been appointed by the Authority or the Bondholders as provided in Section 10.09 hereof on that date, in which event such resignation shall not take effect until a successor is appointed.

SECTION 10.09. 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 may be appointed by the Authority by a duly executed written instrument signed by an Authorized Officer of the Authority, but if the Authority does not appoint a successor Trustee within forty-five (45) days then by the Holders of a majority in principal amount of the Bonds of each Series then Outstanding, excluding any Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee. After such appointment of a successor Trustee, the Authority shall mail notice of any such appointment made by it or the Bondholders to the Holders of the Bonds then Outstanding and to the County.

2. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the Authority written notice as provided in Section 10.07 hereof or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national banking association, doing business and having its principal office in the City and State of New York or the State of New Jersey, and having capital stock and surplus 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 this Lease Revenue Bond Resolution.

SECTION 10.10. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Lease Revenue Bond 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 held by it under this Lease Revenue Bond Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

SECTION 10.11. 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 (i) shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and (ii) shall be authorized by law to perform all the duties imposed upon it by this Lease Revenue Bond Resolution, shall be the

successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

SECTION 10.12. Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Lease Revenue Bond Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in this Lease Revenue Bond Resolution provided that the certificate of the Trustee shall have.

SECTION 10.13. Resignation or Removal of Paying Agent and Appointment of Successor.

1. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Lease Revenue Bond Resolution by giving at least sixty (60) days' written notice to the Authority, the Trustee and the County and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the Authority. Any successor Paying Agent shall be appointed by the Authority with the approval of the Trustee and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least $20,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all duties imposed upon it by this Lease Revenue Bond Resolution.

2. The Paying Agent shall resign upon the occurrence of the events set forth in Section 10.07(2) hereof.

3. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent 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, the Trustee shall act as such Paying Agent.

ARTICLE XI

AMENDMENTS

SECTION 11.01. 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 Officer of the Authority, shall be fully effective in accordance with its terms:

(a) To add to the duties, covenants, obligations and agreements of the Authority in this Lease Revenue Bond Resolution, other duties, covenants, obligations and agreements to be observed and performed by the Authority which are not contrary to or inconsistent with this Lease Revenue Bond Resolution as theretofore in effect;

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

(c) To confirm as further assurance, any security interest, pledge or assignment under this Lease Revenue Bond Resolution, and the subjection of the Revenues, the Local Unit Trust Estates or of any other monies, securities or funds to any security interest, pledge or assignment created or to be created by this Lease Revenue Bond Resolution; or

(d) To comply with the provisions of any federal or state securities law, including, without limitation, the Trust Indenture Act of 1939, as amended, or to comply with Section 103 of the Code, as amended, replaced or substituted.

SECTION 11.02. 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 Officer of the Authority, and (ii) the filing with the Authority of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

(a) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provisions in this Lease Revenue Bond Resolution;

(b) To insert such provisions clarifying matters or questions arising under this Lease Revenue Bond Resolution as are necessary or desirable and are not contrary

to or inconsistent with this Lease Revenue Bond Resolution as theretofore in effect; or

(c) To make any other modification or amendment of this Lease Revenue Bond Resolution which will not have a material adverse effect on the interests of Bondholders.

In making any determination under this Section 11.02, the Trustee may conclusively rely upon an opinion of Counsel.

SECTION 11.03. Supplemental Resolutions Effective With Consent of Bondholders. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by the Bondholders in accordance with and subject to the provisions of Sections 11.06 and 11.07 hereof, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority and upon compliance with the provisions of said Sections 11.06 and 11.07, shall become fully effective in accordance with its terms as provided in said Section 11.07. Provided, however, any Supplemental Resolution which by its terms only affects one or more Series of Bonds may be adopted subject to the consent of the Bondholders of the Series of Bonds so affected.

SECTION 11.04. General Provisions.

1. This Lease Revenue Bond Resolution shall not be modified or amended in any respect except by a Supplemental Resolution as provided in and in accordance with and subject to the provisions of this Article XI. Nothing contained in this 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 this Lease Revenue Bond Resolution or the right or obligation of the Authority to execute and deliver to any Trustee any instrument which elsewhere in this Lease Revenue Bond Resolution it is provided shall be delivered to said Trustee.

2. Any Supplemental Resolution referred to and permitted or authorized by Section 11.01 or 11.02 hereof may be adopted by the Authority without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Resolution when filed with the Trustee shall be accompanied by an opinion of Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of this Lease Revenue Bond Resolution, is authorized or permitted by this Lease Revenue Bond Resolution, and is valid and binding upon the Authority in accordance with its terms.

3. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Sections 11.01, 11.02 or 11.03 hereof and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of Counsel

that such Supplemental Resolution is authorized or permitted by the provisions of this Lease Revenue Bond Resolution.

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

SECTION 11.05. Mailing. Any provision in this Article for the mailing of a notice or other paper to Holders of Bonds shall be fully complied with if it is mailed, postage prepaid only, to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the Authority.

SECTION 11.06. Powers of Amendment by Supplemental Resolution. Unless otherwise permitted under Section 11.01 or Section 11.02 hereof, any modification or amendment of this Lease Revenue Bond Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds hereunder, in any particular, may be made only by a Supplemental Resolution with the written consent (i) of the Holders of not less than two-thirds (2/3) in principal amount of the Bonds Outstanding at the time such consent is given and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of not less than two-thirds (2/3) in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount thereof or in the rate of interest thereon without the consent of the Holder of such obligation, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Trustee without its written assent thereto. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Lease Revenue Bond Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series or maturity would be affected by any modification or amendment of this Lease Revenue Bond Resolution and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds. For purposes of this Section, the Holders of any Bonds may include the initial Holders thereof, regardless of whether such Bonds are being held for resale.

SECTION 11.07. Consent of Bondholders. The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 11.06 hereof to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by

the Trustee), together with a request to Holders of Bonds for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to the Holders of Bonds (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section provided). Such Supplemental Resolution shall not be effective unless and until there shall have been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds specified in Section 11.06 hereof and (b) an opinion of Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of this Lease Revenue Bond Resolution, is authorized or permitted by this Lease Revenue Bond Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms. It shall not be necessary that the consents of the Holders of Bonds approve the particular form of wording of the proposed modification or amendment or of the proposed Supplemental Resolution effecting such modification or amendment, but it shall be sufficient if such consents approve the substance of the proposed amendment or modification. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 12.02 hereof. A certificate or certificates executed by the Trustee and filed with the Authority stating that it has examined such proof and that such proof is sufficient in accordance with Section 12.02 hereof shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 12.02 hereof to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 11.07 provided for is filed, such revocation and proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 12.02 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 Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority a written statement that the Holders of such required percentages of such Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 11.07, may be given to Bondholders by the Authority by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 11.07 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 11.07 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 Bonds at the expiration of forty (40) days after the filing with the Trustee of the proof of the mailings 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 its absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as it may deem expedient.

SECTION 11.08. Modifications or Amendments by Unanimous Consent. The terms and provisions of this Lease Revenue Bond Resolution and the rights and obligations of the Authority and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption and filing by the Authority of a Supplemental Resolution and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in Section 11.07 hereof except that no notice to Holders of Bonds either by mailing or publication 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 Holders of Bonds.

SECTION 11.09. Exclusion of Bonds. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XI, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the Authority shall furnish the Trustee a certificate of an Authorized Officer of the Authority, upon which the Trustee may rely, describing all Bonds so to be excluded.

SECTION 11.10. Notation on Bonds. Bonds authenticated and delivered after the effective date of any Supplemental Resolution pursuant to this Article XI may, and, if the Authority or the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to any modification or amendment provided for in such Supplemental Resolution and, in that case upon demand of the Holder of any Bond Outstanding and upon presentation of any Bond for such purpose at the principal corporate trust office of the Trustee, a suitable notation shall be made on such Bond. If the Authority or the Trustee shall so determine, new Bonds so modified as to conform, in the opinion of the Trustee and the Authority, to any modification or amendment contained in such Supplemental Resolution, shall be prepared, authenticated and delivered and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series, principal amount, maturity and interest rate then Outstanding, upon surrender of such Bonds. Any action taken as in Article X hereof or this Article XI provided shall be effective and binding upon all Bondholders notwithstanding that the notation is not endorsed on all Bonds.

SECTION 11.11. Effect of Supplemental Resolution. Upon the effective date of any Supplemental Resolution, this Lease Revenue Bond Resolution shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, covenants, obligations and agreements under this Lease Revenue Bond Resolution of the Authority, the Trustee and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Resolution shall be deemed to be part of the terms and conditions of this Lease Revenue Bond Resolution for any and all purposes.

SECTION 11.12. Notice of Amendments. Promptly after the adoption by the Authority of any Supplemental Resolution, the Trustee shall mail a notice, setting forth in general terms the substance thereof, to the Bondholders of a Series of Bonds of record as of the last Business Day of the month preceding the date of any such adoption affected by such amendment. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Resolution.

SECTION 11.13. Consent of County. Notwithstanding anything in this Lease Revenue Bond Resolution to the contrary this Lease Revenue Bond Resolution shall not be modified, amended or supplemented without the consent of the County.

ARTICLE XII

DEFEASANCE

SECTION 12.01. Defeasance of the Bonds.

1. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds of any Series the principal, redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated in such Bonds and in this Lease Revenue Bond Resolution, then the pledge of the Applicable Local Unit Trust Estate, and all duties, covenants, agreements and other obligations of the Authority to the Bondholders of such Series, 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 Trustee shall pay over or deliver to the Authority all moneys or securities held by it pursuant to this Lease Revenue Bond Resolution which are not required for the payment of principal, redemption premium, if any, and interest due or to become due on Bonds of such Series not theretofore surrendered for such payment or redemption with respect to such Series. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any Outstanding Bonds of any Series the principal, redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Lease Revenue Bond Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under this Lease Revenue Bond Resolution, and all duties, covenants, agreements and obligations of the Authority to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Notwithstanding any other provision in this Article XII, all duties, covenants, agreements and obligations of the Authority to the Holders relating to the exclusion of interest from gross income of the Holders of such Bonds for Federal income tax purposes shall survive the defeasance of the Bonds.

2. Bonds 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 Agent (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 subsections (3) through (5) of this Section, Outstanding Bonds of any Series 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 Bonds are to be redeemed on any date prior to their stated maturities, the Authority shall have given to the Trustee instructions in writing accepted by the Trustee to mail notice of redemption of such Bonds (other than Bonds of a Series 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 in an amount which shall be sufficient, or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Series of Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event such Series of Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it instructions to mail, as soon as practicable, a notice to the Holders of such Bonds at their last addresses appearing upon the registry books at the close of business on the last business day of the month preceding the month for which notice is mailed that the deposit required by (b) above has been made with the Trustee and that such Series of Bonds are deemed to have been paid in accordance with this Section 12.01 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection (5) of this Section 12.01, to be available for the payment of the principal or Redemption Price, if applicable, of such Series of Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (a) hereof). Any notice of redemption mailed pursuant to the preceding sentence with respect to any Series of Bonds which constitutes less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Bond. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to this Section 12.01 to the retirement of said Bonds in amounts equal to the unsatisfied balances of any principal installments with respect to such Bonds, all in the manner provided in this Lease Revenue Bond Resolution.

The Trustee shall, if so directed by the Authority (i) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 12.01 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 Bonds deemed to have paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Investment Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds and the Trustee shall immediately thereafter cancel all such Bonds so purchased; provided, however, that the moneys and Investment Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due or to become due on all Bonds in respect of which such moneys and Investment Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time (i) prior to the maturity date of Bonds deemed to have been paid in accordance with Section 12.01 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 Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, the Authority shall purchase or otherwise

acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from the Authority to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with this Section 12.01. The directions given by the Authority to the Trustee referred to in the preceding sentence shall also specify the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 12.01 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 12.01 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Bonds as provided in this Section 12.01 the total amount of moneys and Investment Securities remaining on deposit with the Trustee under this Section 12.01 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 Bonds of such Series in order to satisfy clause (b) of this subsection 2 of Section 12.01, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Lease Revenue Bond Resolution. Except as otherwise provided in this subsection 2 and in subsection 3 through subsection 5 of this Section 12.01, neither Investment Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, (A) to the extent such cash will not be required 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 Bonds or otherwise existing under this Lease Revenue Bond Resolution, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Investment Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under the Lease Revenue Bond Resolution.

For the purposes of this Section, Investment Securities shall mean and include only (y) such securities as are described in clause (i) of the definition of "Investment Securities" in Section 1.01 which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof or (z) upon compliance with the provisions of subsection 3 of this Section 12.01, such securities as are described in clause (i) of the definition of Investment Securities which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

3. Investment Securities described in clause (z) of subsection 2 of Section 12.01 may be included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 12.01 only if, in making the determination as to whether the moneys and Investment Securities to be deposited with the Trustee would be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on the Bonds which will be deemed to have been paid as provided in subsection 2 of Section 12.01, such determination is made both (i) on the assumption that the Investment Securities described in clause (z) were not redeemed at the option of the issuer prior to the maturity date thereof and (ii) on the assumptions that such Investment Securities were redeemed by the issuer thereof at its option on each date on which such option could be exercised, that as of such date or dates interest ceased to accrue on such Investment Securities and that the proceeds of such redemption were not reinvested by the Trustee.

4. In the event that after compliance with the provisions of subsection 3 of Section 12.01 the Investment Securities described in clause (z) of subsection 2 of Section 12.01 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 12.01 and any such Investment Securities are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the direction of the Authority shall reinvest the proceeds of such redemption in Investment Securities, provided that the aggregate of the moneys and Investment Securities to be held by the Trustee, taking into account any changes in redemption dates or instructions to give notice of redemption given to the Trustee by the Authority in accordance with subsection 5 of Section 12.01, shall at all times be sufficient to satisfy the requirements of clause (b) of subsection 2 of Section 12.01.

5. In the event that after compliance with the provisions of subsection 3 of Section 12.01 the Investment Securities described in clause (z) of subsection 2 of Section 12.01 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 of Section 12.01, then any notice of redemption to be published 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 of any portion of the Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and that redemption dates may be established for any Bonds deemed to have been paid in accordance with this Section 12.01 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment Securities described in clause (z) of subsection 2 of this Section 12.01 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change of redemption date or dates or establishment of redemption date or dates may be made unless, taking into account such changed redemption date or dates or newly established redemption date or dates, the moneys and Investment Securities on deposit with the Trustee (including any Investment Securities deposited with the Trustee in connection with any reinvestment of redemption proceeds in accordance with subsection 5 of Section 12.01) pursuant

to clause (b) of subsection 2 of Section 12.01 would be sufficient to pay when due the principal and Redemption Price, if applicable, and interest on all Bonds deemed to have been paid in accordance with subsection 2 of Section 12.01.

6. Anything in this Lease Revenue Bond Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for one year after the later of (i) the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption or (ii) the date of deposit of such moneys, 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 Bondholders shall look only to the Authority for the payment of such Bonds; 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 (7) days between publications, in the Authorized Newspapers, 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 12.02. Evidence of Signatures and Ownership of Bonds.

1. Any request, consent, revocation of consent or other instrument which this Lease Revenue Bond Resolution or any Supplemental Resolution may require or permit to be signed and executed by the Holders of Bonds of any Series may be in one or more instruments of similar tenor and shall be signed or executed by such Holders of Bonds in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, shall be sufficient for any purpose of this Lease Revenue Bond Resolution or any Supplemental Resolution (except as otherwise herein or 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.

The fact and date of the execution by any Holder of any Bond 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 ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books maintained by the Authority.

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

SECTION 12.03. Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest or principal due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.01. Liability of the Authority Limited to Local Unit Trust Estates. Notwithstanding anything contained in this Lease Revenue Bond Resolution or in the Bonds, the Authority shall not be required to advance any moneys derived from any source other than the Local Unit Trust Estate for any of the purposes in this Lease Revenue Bond Resolution, whether for the payment of the principal or redemption premium, if any, of, or interest on, the Bonds or for any other purpose of this Lease Revenue Bond Resolution. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority that may be made available to it for such purposes.

SECTION 13.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Lease Revenue Bond Resolution either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the duties, covenants, obligations and agreements contained in this Lease Revenue Bond Resolution by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof, whether so expressed or not.

SECTION 13.03. Limitation of Rights to Parties. Nothing expressed or implied in this Lease Revenue Bond Resolution or in the Bonds is intended or shall be construed to give to any person other than the Authority, the Trustee, the Paying Agents and the Holders of Bonds any legal or equitable right, remedy or claim under or in respect of this Lease Revenue Bond Resolution or any duty, covenant, obligation, agreement, condition or provision therein or herein contained; and all such duties, covenants, obligations, agreements, conditions and provisions are and shall be for the sole and exclusive benefit of the Authority, the Trustee, the Paying Agents and the Holders of Bonds.

SECTION 13.04. Waiver of Notice. Whenever in this Lease Revenue Bond Resolution the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 13.05. Destruction of Bonds. Whenever in this Lease Revenue Bond Resolution provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, unless otherwise requested in writing by the Authority, in lieu of such cancellation and delivery, the Trustee shall destroy such Bonds (in the presence of an officer of the Authority, if the Authority shall so require), and deliver a certificate of such destruction to the Authority.

SECTION 13.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Lease Revenue Bond Resolution or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Lease Revenue Bond Resolution or in the Bonds and such invalidity, illegality or unenforceability shall not affect any other provision of this Lease Revenue Bond Resolution, and this Lease Revenue Bond Resolution shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Lease Revenue Bond Resolution and each and every section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Lease Revenue Bond Resolution may be held illegal, invalid or unenforceable.

SECTION 13.07. Notices. Any notices, certificates or other communications required or permitted to be given herein shall be in writing (unless otherwise specifically required or permitted herein) and shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid to the Authority, the County, the Trustee, the Paying Agent and the Rating Agency at the addresses set forth below:

(a)	Authority:	The Morris County Improvement Authority Administration and Records Building P.O. Box 900 Morristown, New Jersey 07963-0900
(b)	County:	County of Morris, New Jersey Administration and Records Building P.O. Box 900 Morristown, New Jersey 07963-0900
(c)	Trustee and Paying Agent:	
(d)	Rating Agency:	Moody's Investors Service 99 Church Street New York, New York 10007 Attention:

The Authority, the Trustee, the Paying Agent and the Rating Agency may designate any further or different address to which subsequent notices and communications shall be sent by giving notice thereof to the other parties hereto.

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The Rating Agency shall receive written notice from the Trustee of any redemption, acceleration or defeasance of the Bonds; any change in the Trustee or Paying Agent; or of any amendment or supplement to this Lease Revenue Bond Resolution, the Bonds, the Lease Agreement or any other agreement executed in connection with the issuance of the Bonds.

SECTION 13.08. Disqualified Bonds. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Lease Revenue Bond Resolution, Bonds that are owned or held by or for the account of the Authority or the Local Units, or by any other primary or secondary obligor on the Lease Agreement or the Loan Agreement, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Local Units or any other primary or secondary obligor on the Lease Agreement or the Loan Agreement, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned that have been pledged in good faith may be regarded as Outstanding for the purpose of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Local Units or any other primary or secondary obligor on the Lease Agreement or the Loan Agreement. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of Counsel shall be full protection to the Trustee.

SECTION 13.09. Funds, Accounts and Subaccounts. Any Fund, Account or Subaccount required by this Lease Revenue Bond Resolution to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a Fund, an Account or a Subaccount, and, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, may be treated either as a Fund, an Account or a Subaccount; but all such records with respect to all such Funds, Accounts or Subaccounts shall at all times be maintained in accordance with generally accepted corporate trust industry practice.

SECTION 13.10. Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of, or interest on, the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof, all such liability, if any, being expressly waived and released by each Holder of Bonds by the acceptance of such Bonds, but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Lease Revenue Bond Resolution.

SECTION 13.11. The Authority Protected in Acting in Good Faith. In the exercise of the powers of the Authority and its members, officers, employees and agents under this Lease Revenue Bond Resolution, the Lease Agreement or any other document executed in connection with the Bonds, the Authority shall not be accountable to the Local Units, the Trustee, the Paying Agent or any Holder for any action taken or omitted by it or its members, officers,

employees and agents in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred.

SECTION 13.12. Business Days. Except as otherwise specifically provided herein, if any date specified herein for the payment of any Bond or the performance of any act shall not be a Business Day at the place of payment or performance, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date, and in case any payment of the principal of or interest on any Bond shall be due on a date that is not a Business Day, interest on such principal amount shall cease to accrue on the date on which such payment was due if such payment is made on the immediately succeeding Business Day.

ARTICLE XIV

BOND FORMS AND EFFECTIVE DATE

SECTION 14.01. Form of Bonds and Trustee's Authentication Certificate. Subject to the provisions of this Lease Revenue Bond Resolution, the form of the Bonds and the Trustee's certificate of authentication shall be of substantially the following tenor:

[FORM OF BONDS]

UNITED STATES OF AMERICA

STATE OF NEW JERSEY

COUNTY OF MORRIS

THE MORRIS COUNTY IMPROVEMENT AUTHORITY

AUTHORITY LEASE REVENUE BONDS, SERIES 2011[]

NO. R[]-_

Dated Date	**Authentication Date**
_____, 2011	_____, 2011

Registered Owner: [POOLED TRUSTEE], as Pooled Trustee

Principal Sum: _____ Dollars ($_____)

THE MORRIS COUNTY IMPROVEMENT AUTHORITY (the "Authority"), a public body corporate and politic created and existing under the laws of the State of New Jersey, including the county improvement authorities law constituting Chapter 183 of the Pamphlet Laws of 1960, for the State of New Jersey (the "Act"), acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner stated hereon or registered assigns, the Principal Sum stated hereon at the times and in the amounts set forth on Schedule A hereto, but solely from the funds pledged therefor, with the final payment thereof only being made upon presentation and surrender of this bond at the principal corporate trust office of [TRUSTEE] (such bank and any successors thereto being herein called the "Trustee" and "Paying Agent"), which Principal Sum shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay from such pledged funds on _____ 1 and _____ 1 in each year, commencing _____ 1, 200_, until the Authority's obligation with respect to the payment of such Principal Sum (as the same shall be reduced in accordance with Schedule A hereto) shall be discharged to the Registered Owner hereof, interest from the Dated Date stated hereon on such Principal Sum in the amounts set forth on Schedule A hereto by check of the Paying Agent mailed to such Registered Owner who shall appear as of the fifteenth (15th) day (whether or not such day shall be a Business Day) of the month preceding the month in which such interest payment date occurs on the books of the Authority maintained by the Trustee. However, so long as the registered owner of the Series 2011[] Bonds is the Pooled Trustee (as defined in the Lease Revenue Bond Resolution), interest

shall be payable to such registered owner in immediately available funds by intrabank transfer or otherwise.

The terms and provisions of this bond and definitions of certain terms used herein may be continued on the pages following the first page hereof and such continued terms and provisions and definitions shall for all purposes have the same effect as though fully set forth on the first page of this bond.

This bond is one of a duly authorized Series of Bonds of the Authority designated " Authority Lease Revenue Bonds, Series 2011[]" (herein called the "Series 2011[] Bonds"), in the aggregate principal amount of $_____ issued under and in full compliance with the Constitution and statutes of the State of New Jersey, including the Act, and under and pursuant to a resolution authorizing the Series 2011[] Bonds adopted by the Board of the Authority on _____, 2011 entitled "Resolution Authorizing the Issuance of Authority Lease Revenue Bonds, Series 2011 of The Morris County Improvement Authority", as amended and supplemented by a certificate of an authorized officer of the Authority dated _____, 2011, as further amended or supplemented in accordance with the terms thereof (herein called the "Lease Revenue Bond Resolution").

All capitalized terms not defined herein shall have the meanings set forth in the Lease Revenue Bond Resolution as if fully set forth herein.

As provided in the Lease Revenue Bond Resolution, the Series 2011[] Bonds are direct and special obligations of the Authority payable solely from the [Local Unit] Trust Estate, subject only to the provisions of the Lease Revenue Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Lease Revenue Bond Resolution. Pursuant to the terms of the Lease Revenue Bond Resolution, the [Local Unit] Trust Estate has been pledged to the Trustee for the benefit of the Holders of all of the Bonds issued pursuant to the Lease Revenue Bond Resolution.

The [Local Unit] Trust Estate under the Lease Revenue Bond Resolution includes (with certain exceptions set forth in the Lease Revenue Bond Resolution) the [Capital Equipment Lease Purchase Agreement] [Property and Infrastructure Lease Purchase Agreement] dated as of September 1, 2011 (the "Lease Agreement") between the Authority and [_____] (the "Local Unit"), the Project Applicable to such Local Unit, the Revenues Applicable to such Local Unit, including without limitation the lease payments (the "Lease Payments") by the Local Units under the Lease Agreement[, which Lease Payments are subject to annual appropriation], [the ordinance or resolution, as the case may be, guarantying the payment of the principal of or interest on the Bonds in accordance with N.J.S.A. 40:37A-80 (the "[Local Unit] Guaranty"),] other Funds, Accounts and Subaccounts established under the Lease Revenue Bond Resolution (with certain exceptions stated therein) including Investment Securities held in any such Fund, Account or Subaccount thereunder 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 Series 2011[] Bonds in accordance with the terms and provisions of the Lease Revenue Bond Resolution. Copies of the Lease Revenue Bond Resolution and the Lease Agreement are on file at the office of the Authority and at the above mentioned office of the Trustee, and reference is hereby made to the Act, the Lease Revenue Bond Resolution and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the Series 2011[] Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the Series 2011[] Bonds with respect thereto, the terms and conditions upon which the Series 2011[] Bonds are issued and may be issued thereunder, the terms and provisions upon which this bond shall cease to be entitled to any lien, benefit or security under the Lease Revenue Bond Resolution and for the other terms and provisions thereof. All duties, covenants, agreements and obligations of the Authority under the Lease Revenue Bond Resolution may be discharged and satisfied at or prior to the maturity or redemption of this bond if moneys or certain specified securities shall have been deposited with the Trustee.

As provided in the Lease Revenue Bond Resolution, _____ other Series of bonds (collectively, and including the Series 2011[] Bonds, the "Bonds") will be issued contemporaneously herewith pursuant to a Certificate of Authority Officer or Supplemental Bond Resolutions in one or more Series, in various principal amounts, maturing at the same or different times, bearing interest at the same or different rates secured by the Applicable Local Unit Trust Estate and otherwise in accordance with the terms of the Lease Revenue Bond Resolution. Consequently, the aggregate principal amount of Bonds which may be issued under the Lease Revenue Bond Resolution is limited, and all Bonds issued under the Lease Revenue Bond Resolution are secured by the pledge and covenants made therein. The pledge securing these four other Series of Bonds was not made for the benefit of the registered owners of the Series 2011[] Bonds and the four other Applicable Local Unit Trust Estates do not secure the Series 2011[] Bonds.

To the extent and in the manner permitted by the terms of the Lease Revenue Bond Resolution, the provisions of the Lease Revenue Bond Resolution, or any resolution amendatory thereof or supplemental thereto, may be modified or amended by the Authority, with the written consent of the holders of at least two-thirds (2/3) in principal amount of the Bonds Outstanding under the Lease Revenue Bond Resolution at the time such consent is given, and, in case less than all of the several Series of Bonds then Outstanding are affected thereby including this Series of Bonds, with such consent of at least two-thirds (2/3) in principal amount of the Bonds 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 Bonds of any specified like Series and maturity remain Outstanding under the Lease Revenue Bond Resolution, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount thereof or in the rate of interest thereon

without the consent of the holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee or of the Paying Agent without its written assent thereto.

This bond is transferable, as provided in the Lease Revenue Bond Resolution, only upon the books of the Authority kept for that purpose at the above mentioned office of the Trustee, as bond registrar, by the Registered Owner hereof in person, or by such Registered Owner's attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the Registered Owner or such Registered Owner's duly authorized attorney, and thereupon a new fully registered bond or bonds in the same aggregate principal amounts, shall be issued to the transferee in exchange therefor as provided in the Lease Revenue Bond Resolution, and upon payment of the charges therein prescribed. The Authority, the Trustee and the Paying Agent may deem and treat the Registered Owner as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes.

The Series 2011[] Bonds shall be subject to redemption prior to their respective maturity dates at the times and under the circumstances set forth in the Lease Revenue Bond Resolution.
[ADD REDEMPTION HERE WHEN FINAL.]

The principal of, Redemption Price, if any, and interest on, the Series 2011[] Bonds are payable solely from the [Local Unit] Trust Estate and neither the State of New Jersey nor any political subdivision thereof, other than the Authority and other than the Local Unit to the extent of the [Local Unit] Trust Estate, is obligated to pay the principal of, Redemption Price, if any, or interest on, this bond and the issue of which it is one and neither the full faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof, nor the Local Unit except to the extent of [Lease Payments] [Lease Payments and] [the [Local Unit] Guaranty], is pledged to the payment of the principal of, Redemption Price, if any, or interest on, this bond or the issue of which it is one.

It is hereby certified and recited that all conditions, acts and things required by law and the Lease Revenue Bond Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed and that the Series of Bonds of which this is one, together with all other indebtedness of the Authority, complies in all respects with the applicable laws of the State of New Jersey, including, particularly, the Act.

This bond shall not be entitled to any benefit under the Lease Revenue Bond Resolution or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

IN WITNESS WHEREOF, THE MORRIS COUNTY IMPROVEMENT AUTHORITY has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairperson or Vice Chairperson, and its seal to be impressed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the Dated Date hereof.

THE MORRIS COUNTY IMPROVEMENT AUTHORITY

By:_____
John Bonanni
Chairperson

[SEAL]

Attest:

_____
Assistant Secretary

[00010379-]

[FORM OF CERTIFICATE OF AUTHENTICATION ON SERIES 2011[] BONDS]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2011[] Bonds delivered pursuant to the within mentioned Bond Resolution.

[Trustee], as
Trustee

By: _____

Authorized Representative

[00010379-]

GUARANTY OF THE [ ] OF [ ]
IN THE COUNTY OF MORRIS, NEW JERSEY

The payment of the principal of and interest on the within Bond is hereby fully and unconditionally guaranteed by the [ ] of [ ] in the County of Morris, New Jersey (the "Local Unit") in accordance with the provisions of N.J.S.A. 40:37A-80 and the Local Unit is unconditionally and irrevocably liable for the payment, when due, of the principal of and interest on this Bond.

IN WITNESS WHEREOF, the Local Unit has caused this Guaranty to be executed by the manual or facsimile signature of its _____.

[ ] OF [ ]

By:_____

[00010379-]

The following abbreviations, when used in the inscription on this bond, shall be construed as though they were written out in full according to applicable laws or regulations (additional abbreviations may also be used though not in the following list):

TEN COM - as tenants in common	UNIF GIFT MIN ACT
TEN ENT - as tenants by the entireties	_____Custodian_____
	(Cust) (Minor)
JT TEN - as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act
	(State)

ASSIGNMENT

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE (FOR COMPUTER RECORD ONLY): _____

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please Print or Typewrite Name and Address of Transferee)

_____

the within bond, and all rights thereunder and hereby irrevocably constitutes and appoints

_____ Attorney, to transfer the within bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranty: Signature:

_____ _____

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank, trust company, national bank association or other banking institution incorporated under the laws of the United States or a state of the United States

NOTICE: The signature of this Assignment must correspond with the name that appears upon the first page of the within bond in every particular, without alteration or enlargement or any change whatever.

[00010379-]

SECTION 14.02. Effective Date. This Lease Revenue Bond Resolution shall take effect immediately.

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	Yes	No	Abstain	Absent
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

ATTESTATION:

This Resolution was acted upon at the Regular Meeting of the Authority held on _____, 2011 at the Authority's principal corporate office in Morristown, New Jersey.

Attested to this ___ day of _____, 2011

By:_____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of _____, 2011

By: _____
Stephen B. Pearlman, Esq., Partner
Inglesino, Pearlman, Wyciskala & Taylor, LLC
Counsel to the Authority

[00010379-]

[00010379-]

Exhibit A

Form of Lease Agreement

[00010379-]

Exhibit B

Form of Loan Agreement

[00010379-]

Exhibit C-1

Form of Continuing Disclosure Agreements

[00010379-]

RESOLUTION NO. 11-28

RESOLUTION OF THE BOARD OF COMMISSIONERS MORRIS COUNTY IMPROVEMENT AUTHORITY

TITLE:

RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY APPOINTING AN UNDERWRITER IN CONNECTION WITH THE AUTHORITY'S COUNTY OF MORRIS GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE BONDS, SERIES 2011 (FEDERALLY TAXABLE) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $50,000,000

WHEREAS, The Morris County Improvement Authority (including any successors and assigns, the "Authority") has been duly created by resolution no. 42 entitled "Resolution of the Board of Chosen Freeholders of Morris County, New Jersey creating the Morris County Improvement Authority" duly adopted by the Board of Chosen Freeholders (the "Board of Freeholders") of the County of Morris (the "County") in the State of New Jersey (the "State") on April 10, 2002 as a public body corporate and politic of the State pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act") and other applicable law;

WHEREAS, the Authority has developed a program (the "*Renewable Energy Program*") for the financing, design, permitting, acquisition, construction, installation, operation and maintenance of renewable energy capital equipment and facilities such as solar panels, wind turbines, and hydro-electric, bio-diesel, geothermal, and bio-mass facilities, including any related electrical modifications, work related to the maintenance of roof warranties, or other work required, desirable or convenient for the installation of such systems (collectively, the renewable energy capital equipment and facilities, the "*Renewable Energy Projects*") for and on behalf of the County and local governmental units within the County, including without limitation municipalities, boards of education for school districts, local authorities and any other local government instrumentalities, public bodies or other local government entities; collectively, including the County, the "*Local Units*");

WHEREAS, the Renewable Energy Projects procured under the Renewable Energy Program are to be installed on, in, affixed or adjacent to and/or for any other Local Unit controlled buildings, other structures, lands or other properties of the Local Units (collectively, the "*Local Unit Facilities*");

WHEREAS, it may be necessary, desirable or convenient, in connection with the financing, design, permitting, acquisition, construction, installation, operation and maintenance of the Renewable Energy Projects, to finance, design, permit, acquire, construct, renovate and install certain capital improvements to the Local Unit Facilities, including without limitation,

improvements to or replacement of, roofing systems, if any (the "*Capital Improvement Projects*" and together with the Renewable Energy Projects and any Completion Project as defined in the hereinafter defined Bond Resolution, the "*Projects*"), and to the extent no Capital Improvement Projects are so financed, references herein shall have no meaning;

WHEREAS, the primary goal of the Renewable Energy Program is to expand the use of renewable energy sources available and utilized by the Local Units for their Local Unit Facilities, with the attendant environmental and financial benefits associated thereby, and to reduce the energy related operating costs to the Local Units for their Local Unit Facilities, all intended to be offered at no net cost to the Local Units;

WHEREAS, on February 18, 2010 the Authority issued its $21,600,000 aggregate principal amount of "County of Morris Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2009A [Federally Taxable]", to finance the initial tranche (the "*Initial Tranche*") of the Authority's Renewable Energy Program;

WHEREAS, the Authority is presently funding the engineering, energy consulting, legal, financial advisory and other preliminary costs of the second tranche (the "*Second Tranche*") of its Renewable Energy Program necessary, desirable or convenient for the development and implementation of the Renewable Energy Program (the "*Preliminary Program Costs*") prior to the issuance of the Authority's hereinafter defined Series 2011 Bonds;

WHEREAS, in order to implement the Second Tranche of the Renewable Energy Program, the Authority has determined to finance the respective Renewable Energy Projects and Capital Improvement Projects, if any, on, in or about the respective Local Unit Facilities, all as set forth on Exhibits B, C, and A to the hereinafter defined Local Unit License Agreement for each of the following participating Local Units:

(i) Township of Hanover and Township of Parsippany-Troy Hills (collectively, the "*Municipal Series 2011 Local Units*"); and

(ii) Chester School District, Kinnelon Board of Education, Mine Hill Board of Education, Montville Township Board of Education, Morris Knolls School District, Morris Plains Board of Education, Morris School District, Randolph Board of Education and Washington Township Board of Education (collectively, the "*Board of Education Series 2011 Local Units*"); and

(iii) County College of Morris (the "*County Series 2011 Local Units*");

(each a "*Series 2011 Local Unit*", and together with any additional local governmental units within the County that might be added by the Authority to the Second Tranche pursuant to the hereinafter defined Local Finance Board Application or otherwise, collectively, the "*Series 2011 Local Units*"), through the issuance by the Authority of one or more series of bonds and notes entitled "County of Morris Guaranteed Renewable Energy Program Lease Revenue [Notes] Bonds, Series 2011 (Federally Taxable)" dated their date of delivery, Outstanding (as defined in the Bond Resolution upon issuance) in the aggregate principal amount (including Sinking Fund

Installments, if any, as such term is defined in the Bond Resolution) not to exceed $50,000,000 (the "*Series 2011 Bonds*");

WHEREAS, in order to finance the Renewable Energy Projects for the Series 2011 Local Units on, in or about their Local Unit Facilities, the Authority may sell one or more series of Series 2011 Bonds, (i) one series by either a competitive process or by negotiated sale after a competitive process an underwriter (the "Underwriter") the terms of which sale shall be as set forth in that certain Bond Purchase Agreement between the Underwriter and the Authority (the "Series 2011A Bonds"), and (ii) two series of notes (collectively, the "*Series 2011B Notes*, and together with the Series 2011A Bonds, the previously defined "*Series 2011 Bonds*"), either by the same sale method as the Series 2011A Bonds or by direct sale to the County; provided, however that the aggregate principal amount of the Series 2011A Bonds and the Series 2011B Bonds together with any other bonds issued under the Bond Resolution shall not exceed $50,000,000;

WHEREAS, any notes issued as Series 2011 Bonds may be refunded through the issuance of one or more series of notes or bonds issued as Series 2011 Bonds, so long as (i) the principal amount of such notes or bonds, each issued as Series 2011 Bonds and Outstanding in the aggregate at any one time under and as defined in the hereinafter defined Bond Resolution, does not exceed $50,000,000 and (ii) the interest rates thereon do not exceed the maximum interest rates set forth in the Local Finance Board Application;

WHEREAS, the Series 2011 Bonds shall also finance all other costs associated with the Renewable Energy Program that the Authority determines to be necessary, convenient or desirable for the successful implementation of the Renewable Energy Program, including without limitation (i) all or a portion of the Preliminary Program Costs, Administrative Expenses and Company Development Fees and Expenses (as such terms are defined in the hereinafter defined Bond Resolution), (ii) costs incurred in connection with the issuance of the Series 2011 Bonds, (iii) costs incurred or to be incurred in connection with the design, permitting, acquisition, construction, installation, operation and maintenance of the Renewable Energy Projects for the Series 2011 Local Units, (iv) costs incurred or to be incurred in connection with the design, permitting, acquisition, construction, renovation, and installation of the Capital Improvement Projects for the Series 2011 Local Units, if any, (v) capitalized interest and/or reserves, if any, and (vi) such other amounts as shall be set forth in the Bond Resolution (collectively, the *Series 2011 Project*");

WHEREAS, the Series 2011 Bonds, and any Additional Bonds defined under the Bond Resolution (collectively, the "*Bonds*") shall be issued pursuant to the terms of that certain "RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE NOTES AND BONDS, SERIES 2011 AND ADDITIONAL BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" to be adopted by the governing body of the Authority, as amended and supplemented from time to time in accordance with its terms, including by one or more Certificates of an Authorized Officer of the Authority, each dated the date of issuance of the respective series of Series 2011 Bonds (the "*Bond Resolution*"), all in accordance with Sections 17-19 of the Act (N.J.S.A. 40:37A-60, 61 and 62) and all other applicable law;

WHEREAS, pursuant to N.J.S.A. 40:37A-77 of the Act, N.J.S.A. 40A:65-4 of the Uniform Shared Services and Consolidation Act (as amended and supplemented from time to time, the "*Shared Services Act*") and other applicable law, upon or prior to the issuance of the Series 2011 Bonds, the Authority shall have entered into a "License and Access Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance with its terms, each agreement shall constitute a "*Local Unit License Agreement*", and collectively, the "*Local Unit License Agreements*") with each Series 2011 Local Unit that would, among other things, provide the Authority and/or its assignees the right and obligation to (i) access the Local Unit Facilities of each such Series 2011 Local Unit, most particularly their roofs and electrical systems (the "*Local Unit License*"), (ii) finance, design, permit, acquire, construct, install, operate and maintain the Renewable Energy Projects on, in, affixed or adjacent to, or for the benefit of such Local Unit Facilities, (iii) finance, design, permit, acquire, construct, renovate, and install, the Capital Improvement Projects, if any, on, in, affixed or adjacent to, or for the benefit of such Local Unit Facilities, (iv) receive the right to the renewable energy produced from the Renewable Energy Projects financed by the Series 2011 Bonds, and (v) sell all or a portion of the renewable energy produced from such Renewable Energy Projects through the Authority to the respective Series 2011 Local Units, pursuant to an assignment (under each Local Unit License Agreement) from the Authority to the Series 2011 Local Units of the Power Purchase Agreement (as hereinafter defined), the terms of which Power Purchase Agreement could be entered into directly by the Series 2011 Local Units under N.J.S.A. 40A:11-15(45) of the Local Public Contracts Law (for the Municipal and County Series 2011 Local Units) and under N.J.S.A. 18A:18A-42(o) of the Public Schools Contracts Law (for the Board of Education Series 2011 Local Units);

WHEREAS, upon or prior to the issuance of the Series 2011 Bonds, and in accordance with (i) N.J.S.A. 40A:11-4.1(k) of the Local Public Contracts Law, (ii) Local Finance Board Notice 2008-20, December 3, 2008, *Contracting for Renewable Energy Services*, (iii) the State Board of Public Utilities ("*BPU*") protocol for measuring energy savings in PPA agreements dated February 20, 2009 (*Public Entity Energy Efficiency and Renewable Energy Cost Savings Guidelines*), (iv) Local Finance Board Notice 2009-10 dated June 12, 2009, *Contracting for Renewable Energy Services: Update on Power Purchase Agreements*, and (v) all other applicable law, and pursuant to a competitive contracting process governed thereby, which shall include a request for solar developer proposals to be issued by the Authority (the "*Company RFP*") and the receipt of proposals from prospective solar developers, including that (the "*Company Proposal*") of the successful respondent (the "*Company*"), the Authority shall select the Company to (y) design, permit, acquire, construct, install, operate and maintain the Renewable Energy Projects and (z) design, permit, acquire, construct, renovate, and install the Capital Improvement Projects, if any, in both cases for the designated Local Unit Facilities of such Series 2011 Local Units, with such Program terms to be set forth in the following Company Documents to be entered into between the Company and, at a minimum, the Authority, or acknowledged by the Company, as applicable:

(a) Pursuant to N.J.S.A. 40:37A-78 of the Act, a "Lease Purchase Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance

with its terms, the "*Company Lease Agreement*") between the Authority, as owner and lessor, and the Company, as lessee, (I) conveying to the Company a leasehold interest in and to the Renewable Energy Projects, (II) assigning to the Company a license of the necessary portion of each Series 2011 Local Units' Local Unit Facilities (obtained by the Authority through the Local Unit License Agreements) in order for the Company to design, permit, acquire, construct, install, operate and maintain the Renewable Energy Projects, and to design, permit, acquire, construct, renovate, and install the Capital Improvement Projects, if any, in both cases, for such Series 2011 Local Units, and (III) obligating the Company to operate and maintain, or cause the operation and maintenance of, the Renewable Energy Projects for the Series 2011 Local Units;

(b) That certain "Power Purchase Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance with its terms, the "*Power Purchase Agreement*") authorized pursuant to N.J.S.A. 40:37A-77 and -78 of the Act, N.J.S.A. 40A:65-4 of the Shared Services Act, N.J.S.A. 40A:11-15(45) of the Local Public Contracts Law (regarding that portion to be assigned to the municipal/County Series 2011 Local Unit under the applicable Local Unit License Agreement), N.J.S.A. 18A:18A-42(o) of the Public Schools Contracts Law (regarding that portion to be assigned to the board of education Series 2011 Local Units under the applicable Local Unit License Agreements) and the guidelines applicable to such contracts promulgated by the State Board of Public Utilities (the "*BPU*"), whereby, among other things,

(I) The Company shall establish a power purchase price based, in part, on the Authority's covenant in the Company Lease Agreement to issue the Series 2011 Bonds to finance the Renewable Energy Projects, and if applicable, the Capital Improvement Projects, for the Series 2011 Local Units, and the Company shall be entitled to draw a dedicated portion of the net proceeds of the Series 2011 Bonds for the design, permitting, acquisition construction, renovation, and installation of such Projects on a requisition basis,

(II) The Company shall establish a power purchase price based, in part, on the Authority's covenant in the Company Lease Agreement, as nominal owner of the Renewable Energy Projects for State law purposes, to assign to the Company all or a portion of the Authority's rights to the Solar Renewable Energy Certificates ("*SRECs*") generated by the Renewable Energy Projects for the Series 2011 Local Units, and

(III) The Company shall sell to the Authority for the benefit of the Series 2011 Local Units, for a term of fifteen (15) years, plus extensions if applicable, for a fixed power purchase price per kilowatt hour, as escalated under the terms thereof (such terms to be established pursuant to the Company Proposal), the renewable energy generated by the Renewable Energy Projects, which Authority obligation to purchase shall be assigned to the Series 2011 Local Units as part of the Local Unit License Agreements; and

(c) The Company Lease Agreement, the Power Purchase Agreement, the hereinafter defined Company Disclosure Agreement, and the hereinafter defined Company Pledge Agreement, may be collectively defined as the "*Company Documents*");

WHEREAS, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2011 Bonds, shall be secured by the Trust Estate as defined under and in accordance with the terms of the Bond Resolution, which shall include, among other things, (i) Basic Lease Payments to be made by the Company under, and as defined in, the Company Lease Agreement, (ii) certain Additional Lease Payments to be made by the Company under, and as defined in, the Company Lease Agreement, which Additional Lease Payments shall be attributable to (a) the Purchase Option Price payable in accordance with Section 701 of the Company Lease Agreement upon any optional redemption of the Series 2011 Bonds or (b) the Mandatory Purchase Price payable in accordance with Section 702 of the Company Lease Agreement upon any acceleration of the Series 2011 Bonds, and (iii) payments by the County under the hereinafter defined County Guaranty to the extent other funds (including the Basic Lease Payments) are not available to make the Series 2011 Bond debt service payments on time and in full, all in accordance with the terms of the Bond Resolution;

WHEREAS, the payment of the principal (including mandatory sinking fund installments, if any) in an aggregate principal amount not to exceed $50,000,000 of, and interest (at interest rates not to exceed the maximum rates set forth in the Local Finance Board Application) on the Series 2011 Bonds, but not any redemption premium, shall be fully, unconditionally and irrevocably guaranteed in accordance with (i) the terms of a guaranty ordinance of the County to be finally adopted by the Board of Freeholders, (ii) by a guaranty certificate to be executed by an authorized officer of the County within each Series 2011 Bond and (iii) a "County Guaranty Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*County Guaranty Agreement*") by and between the County and the Authority, as acknowledged by the Company and the Credit Facility Provider, if any (as hereinafter defined) setting forth, among other things, the County's obligation to make any such guaranty payments in accordance with and within the parameters set forth in the guaranty ordinance and the Bond Resolution (collectively, the "*County Guaranty*"), all pursuant to Section 37 ("*Section 37*") of the Act (N.J.S.A. 40:37A-80);

WHEREAS, the holders of any Additional Bonds issued under the terms of the Bond Resolution, the Act and all other applicable law shall also be entitled to the pledge of the Trust Estate under the Bond Resolution on a pro-rata basis with the holders of any Outstanding Bonds as defined therein, including the Series 2011 Bonds, although the guaranty of the County shall only extend to any such Series of Additional Bonds to the extent (i) the aggregate principal amount of all such Series of Additional Bonds, when taken together with the aggregate principal amount of the Series 2011 Bonds, shall not exceed $50,000,000, or (ii) the County adopts and executes similar official action and documents constituting the County Guaranty;

WHEREAS, under the County Guaranty Agreement, the Company RFP, and as applicable, the Company Proposal, the Authority shall be obligated to obtain a letter of credit, cash, a covenant to provide same, or other form of security acceptable to and issued for the benefit of the County (the "*County Security*") to be issued by a sufficiently rated banking or other financial institution, or if the County Security is provided in the form of immediately available funds or the right to same, then the Company (in any such case, the "*County Security Provider*"), all to secure, in part, the County's payment obligations under the County Guaranty (but not to secure the payment of debt service on the Series 2011 Bonds, as any such County Security shall be deposited in the County Security Fund under the Bond Resolution, which Fund shall not be a part of the Trust Estate pledged for the payment of the Series 2011 Bonds), the terms of which County Security shall be set forth in a letter of credit and reimbursement or other agreement to be dated the first day of the month of issuance of the applicable series of Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*County Security Agreement*") among the Company, the County Security Provider, and the Authority, and acknowledged by the County, the provisions of which County Security Agreement, to the extent the County Security is in the form of immediately available funds or the right to same deposited in the County Security Fund created under the Bond Resolution, shall (i) not be set forth in an independent County Security Agreement, and accordingly (ii) be set forth in the Bond Resolution, the County Guaranty Agreement and the Company Lease Agreement;

WHEREAS, should the Company fail to make its Basic Lease Payments on time and in full, thereby causing the County to make payments to the Series 2011 Bondholders under the County Guaranty, which in turn causes the County Security to be drawn upon to reimburse the County for all or a portion of any such County Guaranty repayments, (i) the County Security Agreement, if any, shall provide that the Authority assign and pledge the Reimbursement Collateral (as defined in the Bond Resolution) to the County Security Provider, as reimbursement security for any such draw on the County Security, or (ii) to the extent the County Security is in the form of immediately available funds or the right to same deposited in the County Security Fund created under the Bond Resolution, in which case no County Security Agreement shall exist, then the Company, as County Security Provider in such instance, shall only be entitled to such excess County Security, as Reimbursement Collateral, if any shall remain available, after and to the extent the County has been fully paid under its County Guaranty;

WHEREAS, the Authority, with the consent of the County, may, depending on the Company Proposal, determine to (i) waive County Security due to the strength of the Company Proposal or otherwise, in which case the terms County Security, County Security Fund, County Security Fund Requirement, County Security Provider and Reimbursement Collateral shall have no effect, or (ii) initially accept as County Security, in lieu of a County Security Agreement, immediately available funds in such amount (defined under the Bond Resolution as the County Security Fund Requirement) as set

forth in the Company Proposal, to be funded by the Company in accordance with the terms of the Company Lease Agreement, all as contemplated by the Company Proposal, and all to secure, in part, the County's payment obligations under its County Guaranty should such County Guaranty ever be drawn upon, and which County Security Fund Requirement monies would then be deposited by the Trustee in the County Security Fund created and defined in the Bond Resolution, and which County Security Fund would be specifically excepted from the pledge of the Trust Estate and would not be available to secure the payment of debt service on the Series 2011 Bonds;

WHEREAS, in the event the Company provides the County Security Fund Requirement through such a covenant to provide immediately available funds, if applicable, but in any event to secure other Company obligations under the Company Documents, the Authority shall require the Company to further secure such obligations by pledging certain property interests of the Company and its managing member's interest in and to the Company to the Trustee, all as shall be set forth in the Company Lease Agreement and that certain "Pledge and Security Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance with its terms, the "*Company Pledge Agreement*"), and issued by the managing member of the Company, in favor of the Trustee, and acknowledged and accepted by the Company;

WHEREAS, the Company as a potential "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12 ("*Rule 15c-12*") promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended, may be required to enter into that certain "Company Continuing Disclosure Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*Company Continuing Disclosure Agreement*") with the Authority and the Trustee, as dissemination agent (the "*Dissemination Agent*") in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

WHEREAS, pursuant to the terms of the Bond Resolution, as a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12, the County will be required to enter into that certain "County Continuing Disclosure Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*County Continuing Disclosure Agreement*" and together with the Company Continuing Disclosure Agreement, the "*Continuing Disclosure Agreements*") with the Dissemination Agent in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

WHEREAS, pursuant to the terms of the Bond Resolution and/or the Continuing Disclosure Agreements, the Authority shall (i) not be considered a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12, and (ii) be required to provide certain material events notices in accordance with Rule 15c2-12, and accordingly, the Authority shall be required to provide such material events notices under the terms of the Company Continuing Disclosure Agreement and the County Continuing Disclosure Agreement, all in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

WHEREAS, prior to the issuance of the Series 2011 Bonds and in accordance with N.J.S.A. 40A:5A-6, 7 and 8 of the Local Authorities Fiscal Control Law, the Authority shall have made an application (the "*Local Finance Board Application*") to, and seek, obtain, and officially recognize the findings from, the Local Finance Board (the "*Local Finance Board*") in the Department of Local Government Services of the State Department of Community Affairs;

WHEREAS, in order to market and sell the Series 2011 Bonds, the Authority shall determine to either (i) privately place the Series 2011 Bonds with any of the County, the State or State affiliate, or other third party, either directly, or through a private placement agent ("*Private Placement Agent*"), or (ii) alternatively, by negotiated or competitive sale, publicly offer the Series 2011 Bonds, in which public offering case the Authority shall need to:

(a) Authorize the distribution of a preliminary official statement "deemed final" within the meaning and for the purposes of Rule 15c2-12 describing the terms of the Series 2011 Bonds, the Series 2011 Project and the other transactions contemplated hereby (the "*Preliminary Official Statement*");

(b) If the Series 2011 Bonds shall be sold by:

(I) Competitive sale, authorize the distribution of a notice of sale ("*Notice of Sale*"), pursuant to which the Authority shall select an underwriter to purchase all of the Series 2011 Bonds (the "*Underwriter*"), or

(II) Negotiated sale, enter into a bond purchase agreement (the "*Bond Purchase Agreement*") with an underwriter to be selected by the Authority through a fair and open process (alternatively, the "*Underwriter*") to purchase all of the Series 2011 Bonds; and

(c) Execute and deliver a final Official Statement incorporating the terms of the sale of the Series 2011 Bonds and certain other information into the Preliminary Official Statement (the "*Official Statemen*t, and together with the Preliminary Official Statement, the Notice of Sale or the Bond Purchase Agreement, as applicable, and any of the same or other offering or sale documents that may be required by any Private Placement Agent or direct purchaser under the private sale methodology in clause (i) above, the "*Sale Documents*");

WHEREAS, prior to the issuance of the Series 2011 Bonds and in accordance with Section 13 ("*Section 13*") of the Act (N.J.S.A. 40:37A-56), the Authority shall have made a detailed report regarding the Renewable Energy Program to the Board of Freeholders, which report shall include, without limitation, descriptions of the Series 2011 Bonds, the Bond Resolution, the Company Lease Agreement, the County Guaranty (including the County Guaranty Agreement), the Power Purchase Agreement, the Company Pledge Agreement, the Continuing Disclosure Agreements, the Local Unit License Agreements, and if and as applicable, the Sale Documents (collectively, the "*Program Documents*"), and which report and

amended report shall be accepted by the County by resolution adopted by the Board of Freeholders pursuant to Section 13;

WHEREAS, in order to purchase the Bonds from the Authority on a negotiated basis pursuant to a Bond purchase agreement (the "**Bond Purchase Agreement**"), market and resell the Series 2011 Bonds to the public as part of an initial public offering, all as permitted pursuant to N.J.S.A. 40:37A-62 of the Act, the Authority needs to contract for the services of an underwriter for its Series 2011 Bonds (the "**Underwriter RFP**");

WHEREAS, as of January 1, 2006, N.J.S.A. 19:44A-20.1 *et seq*., commonly known as the "**State Pay to Play Law**" became effective;

WHEREAS, pursuant to the State Pay to Play Law, the Authority may not award contracts with a value in excess of $17,500.00, including the Bond Purchase Agreement, to a business entity, including an underwriter, which has made reportable contributions in excess of $300.00, in the aggregate, to certain political parties or candidate committees of persons serving in an elective public office when such contract was awarded, unless said business entity is awarded a contract under a "fair and open process" pursuant to the State Pay to Play Law;

WHEREAS, a "fair and open process" constitutes the following: (i) public advertisement on the Authority's website or in the newspaper of a Request for Qualifications (hereinafter the "**Fair and Open RFQ**") with ten (10) calendar days notice prior to the receipt of responses to the RFQ; (ii) award of contract under a process that provides for public solicitation of qualifications; (iii) award of contract under publicly disclosed criteria established, in writing, by the Authority prior to the solicitation of qualifications; and (iv) the Authority shall publicly open and announce the qualifications when awarded;

WHEREAS, by resolution no 02-10 adopted July 24, 2002 and entitled "RESOLUTION Adopting a Policy for the Selection of Underwriters and other Ancillary Service Providers in connection with the Sale of Securities," the Authority has adopted a policy directing that a request for underwriting qualifications ("**Policy RFQ**") be issued by the Authority from time to time as the initial action required under the Policy for the selection of underwriters in connection with the issuance of Securities to finance Projects;

WHEREAS, pursuant to the Policy and a Authority resolution adopted April 19, 2011 and entitled "RESOLUTION APPROVING A QUALIFIED LIST OF UNDERWRITERS FOR AUTHORITY SECURITIES TRANSACTION IN ACCORDANCE WITH THE AUTHORITY'S UNDERWRITER SELECTION POLICY AND A FAIR AN OPEN PROCESS", the Authority established the 2011 qualified list of underwriters (the "**2011 Qualified List**");

WHEREAS, the Authority desires to appoint an underwriter for the purchase of the 2011 Bonds pursuant to the Bond Purchase Agreement through a "fair and open process" and in accordance with the Policy and the 2011 Qualified List the terms thereof, all to be governed by the State Pay to Play Law, the Policy and other applicable law;

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Authority as follows:

Section 1. _____ is hereby designated the Underwriter in connection with the Series 2011 Bonds.

Section 2. All actions taken to date by the Authority, the Authorized Officers and the Consultants, with respect to the matters set forth in or contemplated by this resolution, are hereby ratified and approved.

Section 3. In accordance with N.J.S.A. 40:37A-50, the Secretary of the Authority is hereby authorized and directed to submit to each member of the Board of Freeholders, by the end of the fifth business day following this meeting, a copy of the minutes of this meeting. The Secretary is hereby further authorized and directed to obtain from the Clerk of the Board of Freeholders a certification from the respective Clerks stating that the minutes of this meeting have not been vetoed by the Director of the Board of Freeholders.

Section 4. This resolution shall be effective immediately, unless it has been vetoed in accordance with N.J.S.A. 40:37A-50(e) of the Act.

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	**Yes**	**No**	**Abstain**	**Absent**
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

ATTESTATION:

This Resolution was acted upon at the Regular Meeting of the Authority held on July 20, 2011 at the Authority's principal corporate office in Morristown, New Jersey.

Attested to this 20th day of July, 2011

By:_____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of July 20, 2011

By: _____
Stephen B. Pearlman, Esq., Partner
Inglesino, Pearlman, Wyciskala & Taylor, LLC
Counsel to the Authority

RESOLUTION NO. 11-29

RESOLUTION OF THE BOARD OF COMMISSIONERS MORRIS COUNTY IMPROVEMENT AUTHORITY

TITLE:

RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY 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 SEEKING CERTAIN OFFICIAL ACTIONS OF THE COUNTY OF MORRIS, NEW JERSEY AND THE COUNTY OF SUSSEX, NEW JERSEY, ALL IN CONNECTION WITH THE AUTHORITY'S COUNTY OF SUSSEX GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE BONDS (COUNTY OF SUSSEX PROGRAM), SERIES 2011 (FEDERALLY TAXABLE) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $50,000,000

WHEREAS, the County of Sussex, New Jersey, a political subdivision of the State (the "*County*") desires to undertake the development and implementation of a renewable energy program (the "*Renewable Energy Program*") for the financing, design, permitting, acquisition, construction, installation, operation and maintenance of renewable energy capital equipment and facilities such as solar panels, wind turbines, and hydro-electric, bio-diesel, geothermal, and bio-mass facilities, including any related electrical modifications, work related to the maintenance of roof warranties, or other work required, desirable or convenient for the installation of such systems (collectively, the renewable energy capital equipment and facilities, the "*Renewable Energy Projects*") for and on behalf of the County and its affiliates, and the local governmental units within the County, including without limitation municipalities, boards of education for school districts, local authorities and any other local government instrumentalities, public bodies or other local government entities (collectively, including the County, the "*Local Units*");

WHEREAS, the Morris County Improvement Authority (the "*Authority*") has been duly created by resolution no. 42 entitled "Resolution of the Board of Chosen Freeholders of Morris County, New Jersey creating the Morris County Improvement Authority" duly adopted by the Board of Chosen Freeholders (the "*Morris County Board of Freeholders*") of the County of Morris (the "*Morris County*") in the State of New Jersey (the "*State*") on April 10, 2002 as a public body corporate and politic of the State pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof

and supplemental thereto (as codified at N.J.S.A. 40:37A-44 *et seq*., the "*Act*"), and other applicable law;

WHEREAS, as of the date hereof, the County has not created its own county improvement authority, and therefore pursuant to the Act, the County may determine to utilize the services of another county improvement authority, including without limitation the Authority, with the consent of both the County, a beneficiary county under the Act, and the Morris County Board of Freeholders, for any purpose for which an improvement authority shall exist, including those set forth in Section 11 of the Act (N.J.S.A. 40:37A-54, "*Section 11*"), which purposes include the development and implementation of the Renewable Energy Program;

WHEREAS, the County desires to implement the Renewable Energy Program through the Authority pursuant to the Act, the Uniform Shared Services and Consolidation Act, constituting Chapter 63 of the Pamphlet Laws of 2007 of the State, and the acts amendatory thereof and supplemental thereto (as codified at N.J.S.A. 40A:65-1 *et seq*., the "*Shared Services Act*"), and all other applicable law, the terms of which agreement has been set forth in that certain "Service Agreement (Sussex County Renewable Energy Program)" dated as of March 1, 2011 (as amended and supplemented from time to time in accordance with its terms, the "*Service Agreement*") between the County and the Authority, and consented to by Morris County;

WHEREAS, the County has determined to enter into the Service Agreement and utilize the services of the Authority and the Authority Consultants (as hereinafter defined) for the following primary reasons: (i) the County does not have a county improvement authority, which type of entity possesses legal authority to enter into the kind of transactions that make a successful regional Renewable Energy Program more likely to succeed, (ii) Morris County has developed and implemented its own renewable energy program through the Authority, which Authority has retained (in accordance with all applicable law) experienced legal, engineering, energy consulting, and financial advisory consultants, consisting of the Authority's energy engineering and energy service consulting firms, Birsdall Services Group and Gabel Associates, its energy counsel and bond counsel, Inglesino, Pearlman, Wyciskala & Taylor, LLC, and its financial advisor, NW Financial Group, LLC, (collectively, the "*Authority Consultants*") and (iii) accordingly, it is more administratively efficient for the County to utilize the services of the Authority and the Authority Consultants to implement the Renewable Energy Program, with such changes as desired by the County, rather than incur the time and expense of the County establishing a new program;

WHEREAS, in addition, Sussex County may determine, but shall not be required, to seek the assistance of its auditor, financial advisor, if any, bond counsel, energy consultant, engineer or any other professional advisors deemed necessary, desirable and convenient by Sussex County (the "*Sussex County Consultants*", if any, and together with the Authority Consultants, the "*Consultants*"; to the extent Sussex County determines not to hire any Sussex County Consultants, references to the term Consultants herein shall be deemed to mean the Authority Consultants) to assist the Authority, the

County and the Authority Consultants in connection with the Renewable Energy Program;

WHEREAS, the Renewable Energy Projects procured under the Renewable Energy Program, limited initially to solar panels, are to be installed on, in, affixed or adjacent to and/or for any other Local Unit controlled buildings, other structures, lands or other properties of the Local Units (collectively, the "*Local Unit Facilities*");

WHEREAS, it may be necessary, desirable or convenient, in connection with the financing, design, permitting, acquisition, construction, installation, operation and maintenance of the Renewable Energy Projects, to finance, design, permit, acquire, construct, renovate and install certain capital improvements to the Local Unit Facilities, including without limitation, improvements to or replacement of, roofing systems, if any (the "*Capital Improvement Projects*" and together with the Renewable Energy Projects and any Completion Project as defined in the hereinafter defined Bond Resolution, the "*Projects*"), and to the extent no Capital Improvement Projects are so financed, references herein shall have no meaning;

WHEREAS, the primary goal of the Renewable Energy Program is to expand the use of renewable energy sources available and utilized by the Local Units for their Local Unit Facilities, with the attendant environmental and financial benefits associated thereby, and to reduce the energy related operating costs to the Local Units for their Local Unit Facilities, all intended to be offered at no net cost to the Local Units;

WHEREAS, in order to implement the Renewable Energy Program, the Authority has determined to finance the respective Renewable Energy Projects and Capital Improvement Projects, if any, on, in or about the respective Local Unit Facilities, all as set forth on Exhibits B, C, and A to the hereinafter defined Local Unit License Agreement for each of the following participating Local Units:

(i) Fredon Township, Green Township and Town of Newton (collectively, the "*Municipal Series 2011 Local Units*"); and

(ii) Byram Township School District, Frankford Board of Education, Franklin Borough Board of Education, Hardyston Township Board of Education, High Point Regional Board of Education, Kittatinny Regional School District, Lafayette Township Board of Education, Lenape Valley Board of Education, Newton Board of Education (collectively, the "*Board of Education Series 2011 Local Units*"); and

(iii) County, Sussex County Municipal Utilities Authority and Sussex County Technical School (the "*County Series 2011 Local Units*");

(each a "*Series 2011 Local Unit*", and together with any additional local governmental units within the County that might be added by the Authority to the Renewable Energy

Program, pursuant to the hereinafter defined Local Finance Board Application or otherwise, collectively, the "*Series 2011 Local Units*"), through the issuance by the Authority of one or more series of bonds and notes entitled "County of Sussex Guaranteed Renewable Energy Program Lease Revenue [Notes] Bonds (County of Sussex Program), Series 2011 (Federally Taxable)" dated their date of delivery, Outstanding (as defined in the Bond Resolution upon issuance) in the aggregate principal amount (including Sinking Fund Installments, if any, as such term is defined in the Bond Resolution) not to exceed $50,000,000 (the "*Series 2011 Bonds*");

WHEREAS, in order to finance the Renewable Energy Projects for the Series 2011 Local Units on, in or about their Local Unit Facilities, the Authority may sell one or more series of Series 2011 Bonds, (i) one series by either a competitive process or by negotiated sale after a competitive process an underwriter (the "Underwriter") the terms of which sale shall be as set forth in that certain Bond Purchase Agreement between the Underwriter and the Authority (the "Series 2011A Bonds"), and (ii) one or more series of notes (collectively, the "*Series 2011B Notes*, and together with the Series 2011A Bonds, the previously defined "*Series 2011 Bonds*"), either by the same sale method as the Series 2011A Bonds or by direct sale to the County; provided, however that the aggregate principal amount of the Series 2011A Bonds and the Series 2011B Bonds together with any other bonds issued under the Bond Resolution shall not exceed $50,000,000;

WHEREAS, any notes issued as Series 2011 Bonds may be refunded through the issuance of one or more series of notes or bonds issued as Series 2011 Bonds, so long as (i) the principal amount of such notes or bonds, each issued as Series 2011 Bonds and Outstanding in the aggregate at any one time under and as defined in the hereinafter defined Bond Resolution, does not exceed $50,000,000 and (ii) the interest rates thereon do not exceed the maximum interest rates set forth in the Local Finance Board Application;

WHEREAS, the Series 2011 Bonds shall also finance all other costs associated with the Renewable Energy Program that the Authority determines to be necessary, convenient or desirable for the successful implementation of the Renewable Energy Program, including without limitation (i) all or a portion of the Preliminary Program Costs, Administrative Expenses and Company Development Fees and Expenses (as such terms are defined in the hereinafter defined Bond Resolution), (ii) costs incurred in connection with the issuance of the Series 2011 Bonds, (iii) costs incurred or to be incurred in connection with the design, permitting, acquisition, construction, installation, operation and maintenance of the Renewable Energy Projects for the Series 2011 Local Units, (iv) costs incurred or to be incurred in connection with the design, permitting, acquisition, construction, renovation, and installation of the Capital Improvement Projects for the Series 2011 Local Units, if any, (v) capitalized interest and/or reserves, if any, and (vi) such other amounts as shall be set forth in the Bond Resolution (collectively, the *Series 2011 Project*");

WHEREAS, the Series 2011 Bonds, and any Additional Bonds defined under the Bond Resolution (collectively, the "*Bonds*") shall be issued pursuant to the terms of that

certain "RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF SUSSEX GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE NOTES AND BONDS (COUNTY OF SUSSEX PROGRAM), SERIES 2011 AND ADDITIONAL BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" to be adopted by the governing body of the Authority, as amended and supplemented from time to time in accordance with its terms, including by one or more Certificates of an Authorized Officer of the Authority, each dated the date of issuance of the respective series of Series 2011 Bonds (the "*Bond Resolution*"), all in accordance with Sections 17-19 of the Act (N.J.S.A. 40:37A-60, 61 and 62) and all other applicable law;

WHEREAS, pursuant to N.J.S.A. 40:37A-77 of the Act, N.J.S.A. 40A:65-4 of the Shared Services Act and other applicable law, upon or prior to the issuance of the Series 2011 Bonds, the Authority shall have entered into a "License and Access Agreement (Sussex County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance with its terms, each agreement shall constitute a "*Local Unit License Agreement*", and collectively, the "*Local Unit License Agreements*") with each Series 2011 Local Unit that would, among other things, provide the Authority and/or its assignees the right and obligation to (i) access the Local Unit Facilities of each such Series 2011 Local Unit, most particularly their roofs and electrical systems (the "*Local Unit License*"), (ii) finance, design, permit, acquire, construct, install, operate and maintain the Renewable Energy Projects on, in, affixed or adjacent to, or for the benefit of such Local Unit Facilities, (iii) finance, design, permit, acquire, construct, renovate, and install, the Capital Improvement Projects, if any, on, in, affixed or adjacent to, or for the benefit of such Local Unit Facilities, (iv) receive the right to the renewable energy produced from the Renewable Energy Projects financed by the Series 2011 Bonds, and (v) sell all or a portion of the renewable energy produced from such Renewable Energy Projects through the Authority to the respective Series 2011 Local Units, pursuant to an assignment (under each Local Unit License Agreement) from the Authority to the Series 2011 Local Units of the Power Purchase Agreement (as hereinafter defined), the terms of which Power Purchase Agreement could be entered into directly by the Series 2011 Local Units under N.J.S.A. 40A:11-15(45) of the Local Public Contracts Law (for the Municipal and County Series 2011 Local Units) and under N.J.S.A. 18A:18A-42(o) of the Public Schools Contracts Law (for the Board of Education Series 2011 Local Units);

WHEREAS, upon or prior to the issuance of the Series 2011 Bonds, and in accordance with (i) N.J.S.A. 40A:11-4.1(k) of the Local Public Contracts Law, (ii) Local Finance Board Notice 2008-20, December 3, 2008, *Contracting for Renewable Energy Services*, (iii) the State Board of Public Utilities ("*BPU*") protocol for measuring energy savings in PPA agreements dated February 20, 2009 (*Public Entity Energy Efficiency and Renewable Energy Cost Savings Guidelines*), (iv) Local Finance Board Notice 2009-10 dated June 12, 2009, *Contracting for Renewable Energy Services: Update on Power Purchase Agreements*, and (v) all other applicable law, and pursuant to a competitive contracting process governed thereby, which shall include a request for solar developer

proposals to be issued by the Authority (the "*Company RFP*") and the receipt of proposals from prospective solar developers, including that (the "*Company Proposal*") of the successful respondent (the "*Company*"), the Authority shall select the Company to (y) design, permit, acquire, construct, install, operate and maintain the Renewable Energy Projects and (z) design, permit, acquire, construct, renovate, and install the Capital Improvement Projects, if any, in both cases for the designated Local Unit Facilities of such Series 2011 Local Units, with such Program terms to be set forth in the following Company Documents to be entered into between the Company and, at a minimum, the Authority, or acknowledged by the Company, as applicable:

(a) Pursuant to N.J.S.A. 40:37A-78 of the Act, a "Lease Purchase Agreement (Sussex County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance with its terms, the "*Company Lease Agreement*") between the Authority, as owner and lessor, and the Company, as lessee, (I) conveying to the Company a leasehold interest in and to the Renewable Energy Projects, (II) assigning to the Company a license of the necessary portion of each Series 2011 Local Units' Local Unit Facilities (obtained by the Authority through the Local Unit License Agreements) in order for the Company to design, permit, acquire, construct, install, operate and maintain the Renewable Energy Projects, and to design, permit, acquire, construct, renovate, and install the Capital Improvement Projects, if any, in both cases, for such Series 2011 Local Units, and (III) obligating the Company to operate and maintain, or cause the operation and maintenance of, the Renewable Energy Projects for the Series 2011 Local Units;

(b) That certain "Power Purchase Agreement (Sussex County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance with its terms, the "*Power Purchase Agreement*") authorized pursuant to N.J.S.A. 40:37A-77 and -78 of the Act, N.J.S.A. 40A:65-4 of the Shared Services Act, N.J.S.A. 40A:11-15(45) of the Local Public Contracts Law (regarding that portion to be assigned to the municipal/County Series 2011 Local Unit under the applicable Local Unit License Agreement), N.J.S.A. 18A:18A-42(o) of the Public Schools Contracts Law (regarding that portion to be assigned to the board of education Series 2011 Local Units under the applicable Local Unit License Agreements) and the guidelines applicable to such contracts promulgated by the State Board of Public Utilities (the "*BPU*"), whereby, among other things,

(I) The Company shall establish a power purchase price based, in part, on the Authority's covenant in the Company Lease Agreement to issue the Series 2011 Bonds to finance the Renewable Energy Projects, and if applicable, the Capital Improvement Projects, for the Series 2011 Local Units, and the Company shall be entitled to draw a dedicated portion of the net proceeds of the Series 2011 Bonds for the design, permitting, acquisition construction, renovation, and installation of such Projects on a requisition basis,

(II) The Company shall establish a power purchase price based, in part, on the Authority's covenant in the Company Lease Agreement, as nominal owner of the Renewable Energy Projects for State law purposes, to assign to the Company all or a portion of the Authority's rights to the Solar Renewable Energy Certificates ("*SRECs*") generated by the Renewable Energy Projects for the Series 2011 Local Units, and

(III) The Company shall sell to the Authority for the benefit of the Series 2011 Local Units, for a term of fifteen (15) years, plus extensions if applicable, for a fixed power purchase price per kilowatt hour, as escalated under the terms thereof (such terms to be established pursuant to the Company Proposal), the renewable energy generated by the Renewable Energy Projects, which Authority obligation to purchase shall be assigned to the Series 2011 Local Units as part of the Local Unit License Agreements; and

(c) The Company Lease Agreement, the Power Purchase Agreement, the hereinafter defined Company Disclosure Agreement, and the hereinafter defined Company Pledge Agreement, may be collectively defined as the "*Company Documents*");

WHEREAS, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2011 Bonds, shall be secured by the Trust Estate as defined under and in accordance with the terms of the Bond Resolution, which shall include, among other things, (i) Basic Lease Payments to be made by the Company under, and as defined in, the Company Lease Agreement, (ii) certain Additional Lease Payments to be made by the Company under, and as defined in, the Company Lease Agreement, which Additional Lease Payments shall be attributable to (a) the Purchase

Option Price payable in accordance with Section 701 of the Company Lease Agreement upon any optional redemption of the Series 2011 Bonds or (b) the Mandatory Purchase Price payable in accordance with Section 702 of the Company Lease Agreement upon any acceleration of the Series 2011 Bonds, and (iii) payments by the County under the hereinafter defined County Guaranty to the extent other funds (including the Basic Lease Payments) are not available to make the Series 2011 Bond debt service payments on time and in full, all in accordance with the terms of the Bond Resolution;

WHEREAS, the payment of the principal (including mandatory sinking fund installments, if any) in an aggregate principal amount not to exceed $50,000,000 of, and interest (at interest rates not to exceed the maximum rates set forth in the Local Finance Board Application) on the Series 2011 Bonds, but not any redemption premium, shall be fully, unconditionally and irrevocably guaranteed in accordance with (i) the terms of a guaranty ordinance of the County to be finally adopted by the Board of Freeholders, (ii) by a guaranty certificate to be executed by an authorized officer of the County within each Series 2011 Bond and (iii) a "County Guaranty Agreement (Sussex County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*County Guaranty Agreement*") by and between the County and the Authority, as acknowledged by the Company and the Credit Facility Provider, if any (as hereinafter defined) setting forth, among other things, the County's obligation to make any such guaranty payments in accordance with and within the parameters set forth in the guaranty ordinance and the Bond Resolution (collectively, the "*County Guaranty*"), all pursuant to Section 37 ("*Section 37*") of the Act (N.J.S.A. 40:37A-80);

WHEREAS, the holders of any Additional Bonds issued under the terms of the Bond Resolution, the Act and all other applicable law shall also be entitled to the pledge of the Trust Estate under the Bond Resolution on a pro-rata basis with the holders of any Outstanding Bonds as defined therein, including the Series 2011 Bonds, although the guaranty of the County shall only extend to any such Series of Additional Bonds to the extent (i) the aggregate principal amount of all such Series of Additional Bonds, when taken together with the aggregate principal amount of the Series 2011 Bonds, shall not exceed $50,000,000, or (ii) the County adopts and executes similar official action and documents constituting the County Guaranty;

WHEREAS, under the County Guaranty Agreement, the Company RFP, and as applicable, the Company Proposal, the Authority shall be obligated to obtain a letter of credit, cash, a covenant to provide same, or other form of security acceptable to and issued for the benefit of the County (the "*County Security*") to be issued by a sufficiently rated banking or other financial institution, or if the County Security is provided in the form of immediately available funds or the right to same, then the Company (in any such case, the "*County Security Provider*"), all to secure, in part, the County's payment obligations under the County Guaranty (but not to secure the payment of debt service on the Series 2011 Bonds, as any such County Security shall be deposited in the County Security Fund under the Bond Resolution, which Fund shall not be a part of the Trust

Estate pledged for the payment of the Series 2011 Bonds), the terms of which County Security shall be set forth in a letter of credit and reimbursement or other agreement to be dated the first day of the month of issuance of the applicable series of Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*County Security Agreement*") among the Company, the County Security Provider, and the Authority, and acknowledged by the County, the provisions of which County Security Agreement, to the extent the County Security is in the form of immediately available funds or the right to same deposited in the County Security Fund created under the Bond Resolution, shall (i) not be set forth in an independent County Security Agreement, and accordingly (ii) be set forth in the Bond Resolution, the County Guaranty Agreement and the Company Lease Agreement;

WHEREAS, should the Company fail to make its Basic Lease Payments on time and in full, thereby causing the County to make payments to the Series 2011 Bondholders under the County Guaranty, which in turn causes the County Security to be drawn upon to reimburse the County for all or a portion of any such County Guaranty repayments, (i) the County Security Agreement, if any, shall provide that the Authority assign and pledge the Reimbursement Collateral (as defined in the Bond Resolution) to the County Security Provider, as reimbursement security for any such draw on the County Security, or (ii) to the extent the County Security is in the form of immediately available funds or the right to same deposited in the County Security Fund created under the Bond Resolution, in which case no County Security Agreement shall exist, then the Company, as County Security Provider in such instance, shall only be entitled to such excess County Security, as Reimbursement Collateral, if any shall remain available, after and to the extent the County has been fully paid under its County Guaranty;

WHEREAS, the Authority, with the consent of the County, may, depending on the Company Proposal, determine to (i) waive County Security due to the strength of the Company Proposal or otherwise, in which case the terms County Security, County Security Fund, County Security Fund Requirement, County Security Provider and Reimbursement Collateral shall have no effect, or (ii) initially accept as County Security, in lieu of a County Security Agreement, immediately available funds in such amount (defined under the Bond Resolution as the County Security Fund Requirement) as set forth in the Company Proposal, to be funded by the Company in accordance with the terms of the Company Lease Agreement, all as contemplated by the Company Proposal, and all to secure, in part, the County's payment obligations under its County Guaranty should such County Guaranty ever be drawn upon, and which County Security Fund Requirement monies would then be deposited by the Trustee in the County Security Fund created and defined in the Bond Resolution, and which County Security Fund would be specifically excepted from the pledge of the Trust Estate and would not be available to secure the payment of debt service on the Series 2011 Bonds;

WHEREAS, in the event the Company provides the County Security Fund Requirement through such a covenant to provide immediately available funds, if applicable, but in any event to secure other Company obligations under the Company Documents, the Authority shall require the Company to further secure such obligations

by pledging certain property interests of the Company and its managing member's interest in and to the Company to the Trustee, all as shall be set forth in the Company Lease Agreement and that certain "Pledge and Security Agreement (Sussex County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance with its terms, the "*Company Pledge Agreement*"), and issued by the managing member of the Company, in favor of the Trustee, and acknowledged and accepted by the Company;

WHEREAS, the Company as a potential "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12 ("*Rule 15c-12*") promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended, may be required to enter into that certain "Company Continuing Disclosure Agreement (Sussex County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*Company Continuing Disclosure Agreement*") with the Authority and the Trustee, as dissemination agent (the "*Dissemination Agent*") in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

WHEREAS, pursuant to the terms of the Bond Resolution, as a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12, the County will be required to enter into that certain "County Continuing Disclosure Agreement (Sussex County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*County Continuing Disclosure Agreement*" and together with the Company Continuing Disclosure Agreement, the "*Continuing Disclosure Agreements*") with the Dissemination Agent in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

WHEREAS, pursuant to the terms of the Bond Resolution and/or the Continuing Disclosure Agreements, the Authority shall (i) not be considered a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12, and (ii) be required to provide certain material events notices in accordance with Rule 15c2-12, and accordingly, the Authority shall be required to provide such material events notices under the terms of the Company Continuing Disclosure Agreement and the County Continuing Disclosure Agreement, all in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

WHEREAS, prior to the issuance of the Series 2011 Bonds and in accordance with N.J.S.A. 40A:5A-6, 7 and 8 of the Local Authorities Fiscal Control Law, the Authority shall have made an application (the "*Local Finance Board Application*") to, and seek, obtain, and officially recognize the findings from, the Local Finance Board (the "*Local Finance Board*") in the Department of Local Government Services of the State Department of Community Affairs;

WHEREAS, in order to market and sell the Series 2011 Bonds, the Authority shall determine to either (i) privately place the Series 2011 Bonds with any of the County, the State or State affiliate, or other third party, either directly, or through a private placement agent ("*Private Placement Agent*"), or (ii) alternatively, by negotiated or competitive sale, publicly offer the Series 2011 Bonds, in which public offering case the Authority shall need to:

(a) Authorize the distribution of a preliminary official statement "deemed final" within the meaning and for the purposes of Rule 15c2-12 describing the terms of the Series 2011 Bonds, the Series 2011 Project and the other transactions contemplated hereby (the "*Preliminary Official Statement*");

(b) If the Series 2011 Bonds shall be sold by:

(I) Competitive sale, authorize the distribution of a notice of sale ("*Notice of Sale*"), pursuant to which the Authority shall select an underwriter to purchase all of the Series 2011 Bonds (the "*Underwriter*"), or

(II) Negotiated sale, enter into a bond purchase agreement (the "*Bond Purchase Agreement*") with an underwriter to be selected by the Authority through a fair and open process (alternatively, the "*Underwriter*") to purchase all of the Series 2011 Bonds; and

(c) Execute and deliver a final Official Statement incorporating the terms of the sale of the Series 2011 Bonds and certain other information into the Preliminary Official Statement (the "*Official Statemen*t, and together with the Preliminary Official Statement, the Notice of Sale or the Bond Purchase Agreement, as applicable, and any of the same or other offering or sale documents that may be required by any Private Placement Agent or direct purchaser under the private sale methodology in clause (i) above, the "*Sale Documents*");

WHEREAS, prior to the issuance of the Series 2011 Bonds and in accordance with Section 13 ("*Section 13*") of the Act (N.J.S.A. 40:37A-56), the Authority shall have made a detailed report regarding the Renewable Energy Program to Board of Chosen Freeholders of the County of Sussex (the "Sussex County Board of Freeholders") and the Morris County Board of Freeholders, which report shall include, without limitation, descriptions of the Series 2011 Bonds, the Bond Resolution, the Company Lease Agreement, the County Guaranty (including the County Guaranty Agreement), the Power Purchase Agreement, the Company Pledge Agreement, the Continuing Disclosure

Agreements, the Local Unit License Agreements, and if and as applicable, the Sale Documents (collectively, the "*Program Documents*"), and which report and amended report shall be accepted by both the County and Morris County by resolution adopted by the Sussex County Board of Freeholders and the Morris County Board of Freeholders pursuant to Section 13; and

WHEREAS, the Authority believes: (i) it is in the public interest to accomplish such purposes as set forth in the preambles hereof; (ii) said purpose is for the health, wealth, convenience or betterment of the inhabitants of the Series 2011 Local Units; (iii) the amounts to be expended for said purpose are not unreasonable or exorbitant; and (iv) the proposal is an efficient and feasible means of providing services for the needs of the inhabitants of the Series 2011 Local Units and will not create an undue financial burden to be placed upon the Authority or the Series 2011 Local Units.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Authority as follows:

Section 1. The Chairman and the other Commissioners of the Authority (including their designees, each an "*Authorized Officer*") are each hereby severally authorized to prepare and submit the Local Finance Board Application for the purpose of financing the Series 2011 Project through the issuance of the Series 2011 Bonds. The Authorized Officer shall act in consultation with the Authority's Counsel, Inglesino, Pearlman, Wyciskala & Taylor, LLC, hereby confirmed to act as bond counsel to the Authority for this financing, NW Financial Group, LLC, hereby confirmed as Financial Advisor to the Authority for this financing and Birdsall Services Group and Gabel Associates, co-energy consultants to the Authority for the Renewable Energy Program (collectively, the "*Consultants*"), in the preparation and submission of the Local Finance Board Application, which shall include the selection of the Series 2011 Local Units. All actions taken to date by such parties in connection with the Local Finance Board Application are hereby ratified and approved. All of such parties are hereby authorized and directed to represent the Authority in matters pertaining thereto, including without limitation, the hearing to be held by the Local Finance Board relating to the Program Documents, including the County Guaranty, and the Series 2011 Project financed thereby required by N.J.S.A. 40A:5A-6.

Section 2. The Authorized Officers are each hereby severally authorized and directed to deliver or cause to be delivered to the governing bodies of the County and the County of Morris a detailed report describing the applicable Program Documents and the Series 2011 Project financed thereby, all in accordance with Section 13.

Section 3. Each Authorized Officer is hereby further authorized and directed to take all actions deemed necessary, convenient or desirable by any such Authorized Officer, in consultation with the Consultants, to obtain the resolutions of the governing body of the County and the County of Morris contemplated by Section 13 relating to the Program Documents and the Series 2011 Project financed thereby.

Section 4. Each Authorized Officer is hereby further authorized and directed to take all actions deemed necessary, convenient or desirable by any such Authorized Officer, in consultation with the Consultants, to obtain the County Guaranty to be given by the County pursuant to Section 37.

Section 5. The Secretary of the Authority is hereby directed to prepare and cause counsel to the Authority to file a copy of this resolution with the Local Finance Board as part of the Local Finance Board Application.

Section 6. The Local Finance Board is hereby respectfully requested to consider the Local Finance Board Application and to record its findings and recommendations as provided by N.J.S.A. 40A:5A-7 of the Local Authorities Fiscal Control Law.

Section 7. To the extent the Series 2011 Bonds are issued in any year other than 2011, references herein to "2011" may without any further action be changed to the year of issuance of such Series 2011 Bonds.

Section 8. All actions of the Authorized Officers and the Consultants taken prior to the date of adoption hereof in connection with the Series 2011 Bonds, the Series 2011 Project or any of the foregoing transactions contemplated by this resolution are hereby ratified and approved.

Section 9. Upon the adoption hereof, the Clerk of the Board of Freeholders shall forward certified copies of this resolution to John H. Eskilson, County Administrator, John Bonanni, Morris County Administrator and Chairperson of the Authority, Dennis R. McConnell, Esq., County Counsel and Stephen B. Pearlman, Esq., Counsel to the Authority.

Section 10. In accordance with N.J.S.A. 40:37A-50, the Secretary of the Authority is hereby authorized and directed to submit to each member of the Board of Freeholders, by the end of the fifth business day following this meeting, a copy of the minutes of this meeting. The Secretary is hereby further authorized and directed to obtain from the Clerk of the Board of Freeholders a certification from the respective Clerks stating that the minutes of this meeting have not been vetoed by the Director of the Board of Freeholders.

Section 11. This resolution shall be effective immediately, unless it has been vetoed in accordance with N.J.S.A. 40:37A-50(e) of the Act.

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	Yes	No	Abstain	Absent
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

ATTESTATION:

This Resolution was acted upon at the Regular Meeting of the Authority held on July 20, 2011 at the Authority's principal corporate office in Morristown, New Jersey.

Attested to this 20th day of July, 2011

By:_____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of July 20, 2011

By: _____
Stephen B. Pearlman, Esq., Partner
Inglesino, Pearlman, Wyciskala & Taylor, LLC
Counsel to the Authority

RESOLUTION NO. 11-30

RESOLUTION OF THE BOARD OF COMMISSIONERS MORRIS COUNTY IMPROVEMENT AUTHORITY

TITLE:

RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS PURSUANT TO THE LOCAL PUBLIC CONTRACTS LAW N.J.S.A. 40A:11-4.1(k) IN CONNECTION WITH THE AUTHORITY'S COUNTY OF SUSSEX RENEWABLE ENERGY PROGRAM

WHEREAS, the County of Sussex, New Jersey, a political subdivision of the State (the "*County*") desires to undertake the development and implementation of a renewable energy program (the "*Renewable Energy Program*") for the financing, design, permitting, acquisition, construction, installation, operation and maintenance of renewable energy capital equipment and facilities such as solar panels, wind turbines, and hydro-electric, bio-diesel, geothermal, and bio-mass facilities, including any related electrical modifications, work related to the maintenance of roof warranties, or other work required, desirable or convenient for the installation of such systems (collectively, the renewable energy capital equipment and facilities, the "*Renewable Energy Projects*") for and on behalf of the County and its affiliates, and the local governmental units within the County, including without limitation municipalities, boards of education for school districts, local authorities and any other local government instrumentalities, public bodies or other local government entities (collectively, including the County, the "*Local Units*");

WHEREAS, the Morris County Improvement Authority (the "*Authority*") has been duly created by resolution no. 42 entitled "Resolution of the Board of Chosen Freeholders of Morris County, New Jersey creating the Morris County Improvement Authority" duly adopted by the Board of Chosen Freeholders (the "*Morris County Board of Freeholders*") of the County of Morris (the "*Morris County*") in the State of New Jersey (the "*State*") on April 10, 2002 as a public body corporate and politic of the State pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (as codified at N.J.S.A. 40:37A-44 *et seq*., the "*Act*"), and other applicable law;

WHEREAS, as of the date hereof, the County has not created its own county improvement authority, and therefore pursuant to the Act, the County may determine to utilize the services of another county improvement authority, including without limitation the Authority, with the consent of both the County, a beneficiary county under the Act, and the Morris County Board of Freeholders, for any purpose for which an improvement authority shall

exist, including those set forth in Section 11 of the Act (N.J.S.A. 40:37A-54, "*Section 11*"), which purposes include the development and implementation of the Renewable Energy Program;

WHEREAS, the County desires to implement the Renewable Energy Program through the Authority pursuant to the Act, the Uniform Shared Services and Consolidation Act, constituting Chapter 63 of the Pamphlet Laws of 2007 of the State, and the acts amendatory thereof and supplemental thereto (as codified at N.J.S.A. 40A:65-1 *et seq*., the "*Shared Services Act*"), and all other applicable law, the terms of which agreement has been set forth in that certain "Service Agreement (Sussex County Renewable Energy Program)" dated as of March 1, 2011 (as amended and supplemented from time to time in accordance with its terms, the "*Service Agreement*") between the County and the Authority, and consented to by Morris County;

WHEREAS, the Renewable Energy Projects procured under the Renewable Energy Program, limited initially to solar panels, are to be installed on, in, affixed or adjacent to and/or for any other Local Unit controlled buildings, other structures, lands or other properties of the Local Units (collectively, the "*Local Unit Facilities*");

WHEREAS, it may be necessary, desirable or convenient, in connection with the financing, design, permitting, acquisition, construction, installation, operation and maintenance of the Renewable Energy Projects, to finance, design, permit, acquire, construct, renovate and install certain capital improvements to the Local Unit Facilities, including without limitation, improvements to or replacement of, roofing systems, if any (the "*Capital Improvement Projects*" and together with the Renewable Energy Projects and any Completion Project as defined in the hereinafter defined Bond Resolution, the "*Projects*"), and to the extent no Capital Improvement Projects are so financed, references herein shall have no meaning;

WHEREAS, the primary goal of the Renewable Energy Program is to expand the use of renewable energy sources available and utilized by the Local Units for their Local Unit Facilities, with the attendant environmental and financial benefits associated thereby, and to reduce the energy related operating costs to the Local Units for their Local Unit Facilities, all intended to be offered at no net cost to the Local Units;

WHEREAS, the Authority, in accordance with Department of Community Affairs Division of Local Government Services (hereinafter the "Division") Local Finance Notice ("**LFN**") 2008-20, dated December 3, 2008, and LFN 2009-10, dated June 12, 2009, N.J.S.A. 40A:11-4.1 through 4.5, inclusive, of the Local Public Contracts Law, and/or other applicable law and through a competitive contracting request for proposal process (the "Company RFP"), shall have procured the services of one or more private renewable energy developers (collectively the "Company") to (a) design, acquire, construct, install, operate and maintain the Renewable Energy Projects and (b) design, acquire, construct, renovate, and install the Capital Improvement Projects, if any, in both cases for certain designated Local Unit Facilities;

WHEREAS, pursuant to N.J.S.A. 40A:11-4.3a, in order to initiate a competitive contracting process and issue the Company RFP, the Authority must first adopt a resolution authorizing the use of competitive contracting; and

WHEREAS, in order to comply with N.J.S.A. 40A:11-4.3b, the Authority shall select a successful respondent from the Company RFP process through the adoption of a resolution by the Authority.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Authority as follows:

Section 1. The Chair of the Authority, the Vice-Chair of the Authority, the Treasurer of the Authority, or their designee (each an "Authority Authorized Officer"), or at the direction of an Authority Authorized Officer, any of the Authority's consulting energy engineer, and/or the Authority's counsel and financial advisor for the Renewable Energy Program, (collectively, the "**Consultants**") are hereby severally authorized to (a) issue the Company RFP, individually or as more than one Company RFP, in substantially the form attached hereto as Exhibit A, with such changes thereto as an Authority Authorized Officer, each severally authorized to issue the Company RFP, shall in their sole discretion determine to be in the best interests of the Authority, the Local Units, the County of Sussex and the Renewable Energy Program, (b) post the notice of the Company RFP (Exhibit 1 to the Company RFP) and the Company RFP on the Authority website, and (c) from time to time issue any addenda to the Company RFP, if required desirable or convenient to conclude the selection process, all in such form and with such terms and conditions that any such Authority Authorized Officer shall determine, in their sole discretion, after consultation with the Consultants, to be compliant with the Act, N.J.S.A. 19:44A-20.1 et seq., and other applicable law and otherwise in the best interests of Authority, the County of Sussex and/or the Local Units in the development and implementation of the Renewable Energy Program, which posting shall state, at a minimum, that copies of Company RFP are available from the Authority upon written request.

Section 2. Upon receipt of the responsive proposals to the Company RFP (the "Company Proposals"), one or more of the Authority Authorized Officers and its Consultants along with the County shall review the Company Proposals on the basis of the Evaluation Criteria as defined and set forth in the Section 6.2 of the Company RFP.

Section 3. Prior to making a recommendation to the governing body of the Authority and the County as to the selection of a Company Proposal that would be the most beneficial to the development and implementation of the Renewable Energy Program, the Authority, the County of Sussex and the Local Units (the "Company RFP Successful Respondent") the Authority shall cause the preparation of a report evaluating and recommending the award of a contract or contracts pursuant to N.J.S.A. 40A:11-4.5d.

Section 4. The award of the Company RFP to the Company RFP Successful Respondent shall be made by the governing body of the Authority and the County at a subsequent Authority and County, respectively, public meeting, unless otherwise delegated in a subsequent resolution of the Authority or the County.

Section 5. Each Authority Authorized Officer and at their direction, the Consultants, are hereby severally authorized to take such other actions as may be deemed, in their sole discretion, to be necessary, desirable or convenient in carrying out the intentions of this

resolution with respect to the Company RFP for the development and implementation of the Renewable Energy Program.

Section 6. All actions taken to date by the Authority, the Authorized Officers and the Consultants, with respect to the matters set forth in or contemplated by this resolution, are hereby ratified and approved.

Section 7. In accordance with N.J.S.A. 40:37A-50, the Secretary of the Authority is hereby authorized and directed to submit to each member of the County of Sussex Board of Freeholders and the County of Morris Board of Freeholders, by the end of the fifth business day following this meeting, a copy of the minutes of this meeting. The Secretary is hereby further authorized and directed to obtain from the Sussex County Clerk of the Board of Freeholders and the Morris County Clerk of the Board of Freeholders, a certification from the respective Clerks stating that the minutes of this meeting have not been vetoed by the respective Director of the Board of Freeholders.

Section 8. This resolution shall be effective immediately, unless it has been vetoed in accordance with N.J.S.A. 40:37A-50(e) of the Act.

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	**Yes**	**No**	**Abstain**	**Absent**
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

ATTESTATION:

This Resolution was acted upon at the Regular Meeting of the Authority held on July 20, 2011 at the Authority's principal corporate office in Morristown, New Jersey.

Attested to this 20th day of July, 2011

By:_____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of July 20, 2011

By: _____
Stephen B. Pearlman, Esq., Partner
Inglesino, Pearlman, Wyciskala & Taylor, LLC
Counsel to the Authority

CERTIFICATION

I, _____, Secretary of the Morris County Improvement Authority hereby certify that the foregoing **RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS PURSUANT TO THE LOCAL PUBLIC CONTRACTS LAW N.J.S.A. 40A:11-4.1(k) IN CONNECTION WITH THE AUTHORITY'S COUNTY OF SUSSEX RENEWABLE ENERGY PROGRAM** is a true copy of a resolution adopted by the governing body of the Authority on _____, 2011.

MORRIS COUNTY IMPROVEMENT AUTHORITY

By:_____

Dated:

EXHIBIT A

FORM OF RFP

RESOLUTION NO. 11-31

RESOLUTION OF THE BOARD OF COMMISSIONERS MORRIS COUNTY IMPROVEMENT AUTHORITY

TITLE:

RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS

GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE

NOTES AND BONDS, SERIES 2011 AND ADDITIONAL BONDS OF

THE MORRIS COUNTY IMPROVEMENT AUTHORITY

Adopted: July 20, 2011
as amended and supplemented by
a Certificate of an Authorized Officer of the Authority
dated _____, 2011

[00011390-2]

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RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE NOTES AND BONDS, SERIES 2011 AND ADDITIONAL BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY

WHEREAS, The Morris County Improvement Authority (including any successors and assigns, the "Authority") has been duly created by resolution no. 42 entitled "Resolution of the Board of Chosen Freeholders of Morris County, New Jersey creating the Morris County Improvement Authority" duly adopted by the Board of Chosen Freeholders (the "Board of Freeholders") of the County of Morris (the "County") in the State of New Jersey (the "State") on April 10, 2002 as a public body corporate and politic of the State pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act") and other applicable law;

WHEREAS, the Authority has developed a program (the "*Renewable Energy Program*") for the financing, design, permitting, acquisition, construction, installation, operation and maintenance of renewable energy capital equipment and facilities such as solar panels, wind turbines, and hydro-electric, bio-diesel, geothermal, and bio-mass facilities, including any related electrical modifications, work related to the maintenance of roof warranties, or other work required, desirable or convenient for the installation of such systems (collectively, the renewable energy capital equipment and facilities, the "*Renewable Energy Projects*") for and on behalf of the County and local governmental units within the County, including without limitation municipalities, boards of education for school districts, local authorities and any other local government instrumentalities, public bodies or other local government entities; collectively, including the County, the "*Local Units*");

WHEREAS, the Renewable Energy Projects procured under the Renewable Energy Program are to be installed on, in, affixed or adjacent to and/or for any other Local Unit controlled buildings, other structures, lands or other properties of the Local Units (collectively, the "*Local Unit Facilities*");

WHEREAS, it may be necessary, desirable or convenient, in connection with the financing, design, permitting, acquisition, construction, installation, operation and maintenance of the Renewable Energy Projects, to finance, design, permit, acquire, construct, renovate and install certain capital improvements to the Local Unit Facilities, including without limitation, improvements to or replacement of, roofing systems, if any (the "*Capital Improvement Projects*" and together with the Renewable Energy Projects and any Completion Project as defined in the hereinafter defined Bond Resolution, the "*Projects*"), and to the extent no Capital Improvement

Projects are so financed, references herein shall have no meaning;

WHEREAS, the primary goal of the Renewable Energy Program is to expand the use of renewable energy sources available and utilized by the Local Units for their Local Unit Facilities, with the attendant environmental and financial benefits associated thereby, and to reduce the energy related operating costs to the Local Units for their Local Unit Facilities, all intended to be offered at no net cost to the Local Units;

WHEREAS, on February 18, 2010 the Authority issued its $21,600,000 aggregate principal amount of "County of Morris Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2009A [Federally Taxable]", to finance the initial tranche (the "*Initial Tranche*") of the Authority's Renewable Energy Program;

WHEREAS, the Authority is presently funding the engineering, energy consulting, legal, financial advisory and other preliminary costs of the second tranche (the "*Second Tranche*") of its Renewable Energy Program necessary, desirable or convenient for the development and implementation of the Renewable Energy Program (the "*Preliminary Program Costs*") prior to the issuance of the Authority's hereinafter defined Series 2011 Bonds;

WHEREAS, in order to implement the Second Tranche of the Renewable Energy Program, the Authority has determined to finance the respective Renewable Energy Projects and Capital Improvement Projects, if any, on, in or about the respective Local Unit Facilities, all as set forth on Exhibits B, C, and A to the hereinafter defined Local Unit License Agreement for each of the following participating Local Units:

(i) Township of Hanover and Township of Parsippany-Troy Hills (collectively, the "*Municipal Series 2011 Local Units*"); and

(ii) Chester Board of Education, Kinnelon Board of Education, Mine Hill Board of Education, Montville Township Board of Education, Morris Hills Regional District Board of Education, Morris School District Board of Education, Randolph Township Board of Education, and Washington Township Board of Education (collectively, the "*Board of Education Series 2011 Local Units*"); and

(iii) County College of Morris (the "*County Series 2011 Local Units*");

(each a "*Series 2011 Local Unit*", and together with any additional local governmental units within the County that might be added by the Authority to the Second Tranche pursuant to the hereinafter defined Local Finance Board Application or otherwise, collectively, the "*Series 2011 Local Units*"), through the issuance by the Authority of one or more series of bonds and notes entitled "County of Morris Guaranteed Renewable Energy Program Lease Revenue [Notes] Bonds, Series 2011 (Federally Taxable)" dated their date of delivery, Outstanding (as defined in the Bond Resolution upon issuance) in the aggregate principal amount (including Sinking Fund

Installments, if any, as such term is defined in the Bond Resolution) not to exceed $50,000,000 (the "*Series 2011 Bonds*");

WHEREAS, in order to finance the Renewable Energy Projects for the Series 2011 Local Units on, in or about their Local Unit Facilities, the Authority may sell one or more series of Series 2011 Bonds, (i) one series by either a competitive process or by negotiated sale after a competitive process an underwriter (the "Underwriter") the terms of which sale shall be as set forth in that certain Bond Purchase Agreement between the Underwriter and the Authority (the "Series 2011A Bonds"), and (ii) one or more series of notes (collectively, the "*Series 2011B Notes*, and together with the Series 2011A Bonds, the previously defined "*Series 2011 Bonds*"), either by the same sale method as the Series 2011A Bonds or by direct sale to the County; provided, however that the aggregate principal amount of the Series 2011A Bonds and the Series 2011B Bonds together with any other bonds issued under the Bond Resolution shall not exceed $50,000,000;

WHEREAS, any notes issued as Series 2011 Bonds may be refunded through the issuance of one or more series of notes or bonds issued as Series 2011 Bonds, so long as (i) the principal amount of such notes or bonds, each issued as Series 2011 Bonds and Outstanding in the aggregate at any one time under and as defined in the hereinafter defined Bond Resolution, does not exceed $50,000,000 and (ii) the interest rates thereon do not exceed the maximum interest rates set forth in the Local Finance Board Application;

WHEREAS, the Series 2011 Bonds shall also finance all other costs associated with the Renewable Energy Program that the Authority determines to be necessary, convenient or desirable for the successful implementation of the Renewable Energy Program, including without limitation (i) all or a portion of the Preliminary Program Costs, Administrative Expenses and Company Development Fees and Expenses (as such terms are defined in the hereinafter defined Bond Resolution), (ii) costs incurred in connection with the issuance of the Series 2011 Bonds, (iii) costs incurred or to be incurred in connection with the design, permitting, acquisition, construction, installation, operation and maintenance of the Renewable Energy Projects for the Series 2011 Local Units, (iv) costs incurred or to be incurred in connection with the design, permitting, acquisition, construction, renovation, and installation of the Capital Improvement Projects for the Series 2011 Local Units, if any, (v) capitalized interest and/or reserves, if any, and (vi) such other amounts as shall be set forth in the Bond Resolution (collectively, the *Series 2011 Project*");

WHEREAS, the Series 2011 Bonds, and any Additional Bonds defined under the Bond Resolution (collectively, the "*Bonds*") shall be issued pursuant to the terms of that certain "RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED RENEWABLE ENERGY PROGRAM LEASE REVENUE NOTES AND BONDS, SERIES 2011 AND ADDITIONAL BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY" to be adopted by the governing body of the Authority, as amended and supplemented from time to time in accordance with its terms, including by one or more Certificates of an Authorized Officer of the Authority, each dated the date of issuance of

the respective series of Series 2011 Bonds (the "*Bond Resolution*"), all in accordance with Sections 17-19 of the Act (N.J.S.A. 40:37A-60, 61 and 62) and all other applicable law;

WHEREAS, pursuant to N.J.S.A. 40:37A-77 of the Act, N.J.S.A. 40A:65-4 of the Uniform Shared Services and Consolidation Act (as amended and supplemented from time to time, the "*Shared Services Act*") and other applicable law, upon or prior to the issuance of the Series 2011 Bonds, the Authority shall have entered into a "License and Access Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance with its terms, each agreement shall constitute a "*Local Unit License Agreement*", and collectively, the "*Local Unit License Agreements*") with each Series 2011 Local Unit that would, among other things, provide the Authority and/or its assignees the right and obligation to (i) access the Local Unit Facilities of each such Series 2011 Local Unit, most particularly their roofs and electrical systems (the "*Local Unit License*"), (ii) finance, design, permit, acquire, construct, install, operate and maintain the Renewable Energy Projects on, in, affixed or adjacent to, or for the benefit of such Local Unit Facilities, (iii) finance, design, permit, acquire, construct, renovate, and install, the Capital Improvement Projects, if any, on, in, affixed or adjacent to, or for the benefit of such Local Unit Facilities, (iv) receive the right to the renewable energy produced from the Renewable Energy Projects financed by the Series 2011 Bonds, and (v) sell all or a portion of the renewable energy produced from such Renewable Energy Projects through the Authority to the respective Series 2011 Local Units, pursuant to an assignment (under each Local Unit License Agreement) from the Authority to the Series 2011 Local Units of the Power Purchase Agreement (as hereinafter defined), the terms of which Power Purchase Agreement could be entered into directly by the Series 2011 Local Units under N.J.S.A. 40A:11-15(45) of the Local Public Contracts Law (for the Municipal and County Series 2011 Local Units) and under N.J.S.A. 18A:18A-42(o) of the Public Schools Contracts Law (for the Board of Education Series 2011 Local Units);

WHEREAS, upon or prior to the issuance of the Series 2011 Bonds, and in accordance with (i) N.J.S.A. 40A:11-4.1(k) of the Local Public Contracts Law, (ii) Local Finance Board Notice 2008-20, December 3, 2008, *Contracting for Renewable Energy Services*, (iii) the State Board of Public Utilities ("*BPU*") protocol for measuring energy savings in PPA agreements dated February 20, 2009 (*Public Entity Energy Efficiency and Renewable Energy Cost Savings Guidelines*), (iv) Local Finance Board Notice 2009-10 dated June 12, 2009, *Contracting for Renewable Energy Services: Update on Power Purchase Agreements*, and (v) all other applicable law, and pursuant to a competitive contracting process governed thereby, which shall include a request for solar developer proposals to be issued by the Authority (the "*Company RFP*") and the receipt of proposals from prospective solar developers, including that (the "*Company Proposal*") of the successful respondent (the "*Company*"), the Authority shall select the Company to (y) design, permit, acquire, construct, install, operate and maintain the Renewable Energy Projects and (z) design, permit, acquire, construct, renovate, and install the Capital Improvement Projects, if any, in both cases for the designated Local Unit Facilities of such Series 2011 Local Units, with such Program terms to be set forth in the following Company Documents to be entered into between the Company and, at a minimum, the Authority, or

acknowledged by the Company, as applicable:

(a) Pursuant to N.J.S.A. 40:37A-78 of the Act, a "Lease Purchase Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance with its terms, the "*Company Lease Agreement*") between the Authority, as owner and lessor, and the Company, as lessee, (I) conveying to the Company a leasehold interest in and to the Renewable Energy Projects, (II) assigning to the Company a license of the necessary portion of each Series 2011 Local Units' Local Unit Facilities (obtained by the Authority through the Local Unit License Agreements) in order for the Company to design, permit, acquire, construct, install, operate and maintain the Renewable Energy Projects, and to design, permit, acquire, construct, renovate, and install the Capital Improvement Projects, if any, in both cases, for such Series 2011 Local Units, and (III) obligating the Company to operate and maintain, or cause the operation and maintenance of, the Renewable Energy Projects for the Series 2011 Local Units;

(b) That certain "Power Purchase Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance with its terms, the "*Power Purchase Agreement*") authorized pursuant to N.J.S.A. 40:37A-77 and -78 of the Act, N.J.S.A. 40A:65-4 of the Shared Services Act, N.J.S.A. 40A:11-15(45) of the Local Public Contracts Law (regarding that portion to be assigned to the municipal/County Series 2011 Local Unit under the applicable Local Unit License Agreement), N.J.S.A. 18A:18A-42(o) of the Public Schools Contracts Law (regarding that portion to be assigned to the board of education Series 2011 Local Units under the applicable Local Unit License Agreements) and the guidelines applicable to such contracts promulgated by the State Board of Public Utilities (the "*BPU*"), whereby, among other things,

(I) The Company shall establish a power purchase price based, in part, on the Authority's covenant in the Company Lease Agreement to issue the Series 2011 Bonds to finance the Renewable Energy Projects, and if applicable, the Capital Improvement Projects, for the Series 2011 Local Units, and the Company shall be entitled to draw a dedicated portion of the net proceeds of the Series 2011 Bonds for the design, permitting, acquisition construction, renovation, and installation of such Projects on a requisition basis,

(II) The Company shall establish a power purchase price based, in part, on the Authority's covenant in the Company Lease Agreement, as nominal owner of the Renewable Energy Projects for State law purposes, to assign to the Company all or a portion of the Authority's rights to the Solar Renewable Energy Certificates ("*SRECs*") generated by the Renewable Energy Projects for the Series 2011 Local Units, and

(III) The Company shall sell to the Authority for the benefit of the Series 2011 Local Units, for a term of fifteen (15) years, plus extensions if applicable, for a fixed power purchase price per kilowatt hour, as escalated under the terms thereof (such terms to be established pursuant to the Company Proposal), the renewable energy generated by the Renewable Energy Projects, which Authority obligation to purchase shall be assigned to the Series 2011 Local Units as part of the Local Unit License Agreements; and

(c) The Company Lease Agreement, the Power Purchase Agreement, the hereinafter defined Company Disclosure Agreement, and the hereinafter defined Company Pledge Agreement, may be collectively defined as the "*Company Documents*");

WHEREAS, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Series 2011 Bonds, shall be secured by the Trust Estate as defined under and in accordance with the terms of the Bond Resolution, which shall include, among other things, (i) Basic Lease Payments to be made by the Company under, and as defined in, the Company Lease Agreement, (ii) certain Additional Lease Payments to be made by the Company under, and as defined in, the Company Lease Agreement, which Additional Lease Payments shall be attributable to (a) the Purchase Option Price payable in accordance with Section 701 of the Company Lease Agreement upon any optional redemption of the Series 2011 Bonds or (b) the Mandatory Purchase Price payable in accordance with Section 702 of the Company Lease Agreement upon any acceleration of the Series 2011 Bonds, and (iii) payments by the County under the hereinafter defined County Guaranty to the extent other funds (including the Basic Lease Payments) are not available to make the Series 2011 Bond debt service payments on time and in full, all in accordance with the terms of the Bond Resolution;

WHEREAS, the payment of the principal (including mandatory sinking fund installments, if any) in an aggregate principal amount not to exceed $50,000,000 of, and interest (at interest rates not to exceed the maximum rates set forth in the Local Finance Board Application) on the Series 2011 Bonds, but not any redemption premium, shall be fully, unconditionally and irrevocably guaranteed in accordance with (i) the terms of a guaranty

ordinance of the County to be finally adopted by the Board of Freeholders, (ii) by a guaranty certificate to be executed by an authorized officer of the County within each Series 2011 Bond and (iii) a "County Guaranty Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*County Guaranty Agreement*") by and between the County and the Authority, as acknowledged by the Company and the Credit Facility Provider, if any (as hereinafter defined) setting forth, among other things, the County's obligation to make any such guaranty payments in accordance with and within the parameters set forth in the guaranty ordinance and the Bond Resolution (collectively, the "*County Guaranty*"), all pursuant to Section 37 ("*Section 37*") of the Act (N.J.S.A. 40:37A-80);

WHEREAS, the holders of any Additional Bonds issued under the terms of the Bond Resolution, the Act and all other applicable law shall also be entitled to the pledge of the Trust Estate under the Bond Resolution on a pro-rata basis with the holders of any Outstanding Bonds as defined therein, including the Series 2011 Bonds, although the guaranty of the County shall only extend to any such Series of Additional Bonds to the extent (i) the aggregate principal amount of all such Series of Additional Bonds, when taken together with the aggregate principal amount of the Series 2011 Bonds, shall not exceed $50,000,000, or (ii) the County adopts and executes similar official action and documents constituting the County Guaranty;

WHEREAS, under the County Guaranty Agreement, the Company RFP, and as applicable, the Company Proposal, the Authority shall be obligated to obtain a letter of credit, cash, a covenant to provide same, or other form of security acceptable to and issued for the benefit of the County (the "*County Security*") to be issued by a sufficiently rated banking or other financial institution, or if the County Security is provided in the form of immediately available funds or the right to same, then the Company (in any such case, the "*County Security Provider*"), all to secure, in part, the County's payment obligations under the County Guaranty (but not to secure the payment of debt service on the Series 2011 Bonds, as any such County Security shall be deposited in the County Security Fund under the Bond Resolution, which Fund shall not be a part of the Trust Estate pledged for the payment of the Series 2011 Bonds), the terms of which County Security shall be set forth in a letter of credit and reimbursement or other agreement to be dated the first day of the month of issuance of the applicable series of Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*County Security Agreement*") among the Company, the County Security Provider, and the Authority, and acknowledged by the County, the provisions of which County Security Agreement, to the extent the County Security is in the form of immediately available funds or the right to same deposited in the County Security Fund created under the Bond Resolution, shall (i) not be set forth in an independent County Security Agreement, and accordingly (ii) be set forth in the Bond Resolution, the County Guaranty Agreement and the Company Lease Agreement;

WHEREAS, should the Company fail to make its Basic Lease Payments on time and in full, thereby causing the County to make payments to the Series 2011 Bondholders under the County Guaranty, which in turn causes the County Security to be drawn upon to reimburse the

County for all or a portion of any such County Guaranty repayments, (i) the County Security Agreement, if any, shall provide that the Authority assign and pledge the Reimbursement Collateral (as defined in the Bond Resolution) to the County Security Provider, as reimbursement security for any such draw on the County Security, or (ii) to the extent the County Security is in the form of immediately available funds or the right to same deposited in the County Security Fund created under the Bond Resolution, in which case no County Security Agreement shall exist, then the Company, as County Security Provider in such instance, shall only be entitled to such excess County Security, as Reimbursement Collateral, if any shall remain available, after and to the extent the County has been fully paid under its County Guaranty;

WHEREAS, the Authority, with the consent of the County, may, depending on the Company Proposal, determine to (i) waive County Security due to the strength of the Company Proposal or otherwise, in which case the terms County Security, County Security Fund, County Security Fund Requirement, County Security Provider and Reimbursement Collateral shall have no effect, or (ii) initially accept as County Security, in lieu of a County Security Agreement, immediately available funds in such amount (defined under the Bond Resolution as the County Security Fund Requirement) as set forth in the Company Proposal, to be funded by the Company in accordance with the terms of the Company Lease Agreement, all as contemplated by the Company Proposal, and all to secure, in part, the County's payment obligations under its County Guaranty should such County Guaranty ever be drawn upon, and which County Security Fund Requirement monies would then be deposited by the Trustee in the County Security Fund created and defined in the Bond Resolution, and which County Security Fund would be specifically excepted from the pledge of the Trust Estate and would not be available to secure the payment of debt service on the Series 2011 Bonds;

WHEREAS, in the event the Company provides the County Security Fund Requirement through such a covenant to provide immediately available funds, if applicable, but in any event to secure other Company obligations under the Company Documents, the Authority shall require the Company to further secure such obligations by pledging certain property interests of the Company and its managing member's interest in and to the Company to the Trustee, all as shall be set forth in the Company Lease Agreement and that certain "Pledge and Security Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended or supplemented from time to time in accordance with its terms, the "*Company Pledge Agreement*"), and issued by the managing member of the Company, in favor of the Trustee, and acknowledged and accepted by the Company;

WHEREAS, the Company as a potential "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12 ("*Rule 15c-12*") promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended, may be required to enter into that certain "Company Continuing Disclosure Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended and supplemented

from time to time in accordance with its terms, the "*Company Continuing Disclosure Agreement*") with the Authority and the Trustee, as dissemination agent (the "*Dissemination Agent*") in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

WHEREAS, pursuant to the terms of the Bond Resolution, as a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12, the County will be required to enter into that certain "County Continuing Disclosure Agreement (Morris County Renewable Energy Program, Series 2011)" to be dated as of the first day of the month of issuance of the Series 2011 Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "*County Continuing Disclosure Agreement*" and together with the Company Continuing Disclosure Agreement, the "*Continuing Disclosure Agreements*") with the Dissemination Agent in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

WHEREAS, pursuant to the terms of the Bond Resolution and/or the Continuing Disclosure Agreements, the Authority shall (i) not be considered a "materially obligated person" within the meaning and for the purposes set forth in Rule 15c2-12, and (ii) be required to provide certain material events notices in accordance with Rule 15c2-12, and accordingly, the Authority shall be required to provide such material events notices under the terms of the Company Continuing Disclosure Agreement and the County Continuing Disclosure Agreement, all in order to satisfy the secondary market disclosure requirements of Rule 15c2-12;

WHEREAS, prior to the issuance of the Series 2011 Bonds and in accordance with N.J.S.A. 40A:5A-6, 7 and 8 of the Local Authorities Fiscal Control Law, the Authority shall have made an application (the "*Local Finance Board Application*") to, and seek, obtain, and officially recognize the findings from, the Local Finance Board (the "*Local Finance Board*") in the Department of Local Government Services of the State Department of Community Affairs;

WHEREAS, in order to market and sell the Series 2011 Bonds, the Authority shall determine to either (i) privately place the Series 2011 Bonds with any of the County, the State or State affiliate, or other third party, either directly, or through a private placement agent ("*Private Placement Agent*"), or (ii) alternatively, by negotiated or competitive sale, publicly offer the Series 2011 Bonds, in which public offering case the Authority shall need to:

(a) Authorize the distribution of a preliminary official statement "deemed final" within the meaning and for the purposes of Rule 15c2-12 describing the terms of the Series 2011 Bonds, the Series 2011 Project and the other transactions contemplated hereby (the "*Preliminary Official Statement*");

(b) If the Series 2011 Bonds shall be sold by:

(I) Competitive sale, authorize the distribution of a notice of sale ("*Notice of Sale*"), pursuant to which the Authority shall select an underwriter to purchase all of the

Series 2011 Bonds (the "*Underwriter*"), or

(II) Negotiated sale, enter into a bond purchase agreement (the "*Bond Purchase Agreement*") with an underwriter to be selected by the Authority through a fair and open process (alternatively, the "*Underwriter*") to purchase all of the Series 2011 Bonds; and

(c) Execute and deliver a final Official Statement incorporating the terms of the sale of the Series 2011 Bonds and certain other information into the Preliminary Official Statement (the "*Official Statemen*t, and together with the Preliminary Official Statement, the Notice of Sale or the Bond Purchase Agreement, as applicable, and any of the same or other offering or sale documents that may be required by any Private Placement Agent or direct purchaser under the private sale methodology in clause (i) above, the "*Sale Documents*");

WHEREAS, prior to the issuance of the Series 2011 Bonds and in accordance with Section 13 ("*Section 13*") of the Act (N.J.S.A. 40:37A-56), the Authority shall have made a detailed report regarding the Renewable Energy Program to the Board of Freeholders, which report shall include, without limitation, descriptions of the Series 2011 Bonds, the Bond Resolution, the Company Lease Agreement, the County Guaranty (including the County Guaranty Agreement), the Power Purchase Agreement, the Company Pledge Agreement, the Continuing Disclosure Agreements, the Local Unit License Agreements, and if and as applicable, the Sale Documents (collectively, the "*Program Documents*"), and which report and amended report shall be accepted by the County by resolution adopted by the Board of Freeholders pursuant to Section 13.

NOW, THEREFORE, BE IT RESOLVED by the governing body of the Morris County Improvement Authority as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions.

1. The following defined terms shall have the respective meanings ascribed to such terms in the preambles hereof:

Act
Additional Bonds
Authority
Board of Freeholders
Bond Purchase Agreement
Bond Resolution
Bonds
BPU
Capital Improvement Projects*
Company
Company Continuing Disclosure Agreement
Company Documents
Company Lease Agreement
Company Pledge Agreement
Company Proposal
Company RFP
Continuing Disclosure Agreements
County
County Continuing Disclosure Agreement
County Guaranty
County Guaranty Agreement
County Security
County Security Agreement
County Security Provider
County Series 2011 Local Units
Dissemination Agent
Local Finance Board
Local Finance Board Application
Local Units
Local Unit Facilities*
Local Unit License
Local Unit License Agreement
Local Unit License Agreements
Municipal Series 2011 Local Units
Preliminary Official Statement

Power Purchase Agreement
Preliminary Program Costs
Program Documents
Projects*
Official Statement
Renewable Energy Program
Renewable Energy Projects*
Rule 15c2-12
Sale Documents
Section 13
Section 37
Series 2011 Bonds
Series 2011A Bonds
Series 2011B Bonds
Series 2011 Local Unit*
Series 2011 Local Units*
Series 2011 Project
Shared Services Act
SRECs
State

*as such defined terms may be amended or supplemented pursuant to Sections 4.6 and 4.7 of the Power Purchase Agreement.

2. The following terms, initially defined in the preambles hereof, shall include the additional terms set forth below.

Reserved.

3. The following defined terms shall, for all purposes of this Bond Resolution, have the following meanings:

"**Acceptance Certificates**" shall mean, individually or collectively, as the case may be, the CIP Acceptance Certificates and the REP Acceptance Certificates.

"**Accounts**" shall mean any account established in any of the Funds established by Article V hereof.

"**Additional Bonds**" means all Bonds authenticated and delivered pursuant to Section 2.04 hereof.

"**Additional Lease Payment**" shall mean any amount payable by the Company at the times and under the other terms of the Company Lease Agreement, other than Basic Lease Payments, including without limitation, (i) Administrative Expenses not otherwise provided

from a portion of the proceeds of the Bonds, including the second and succeeding Bond Year Administrative Fee, (ii) interest on any past due Lease Payments payable at the Overdue Rate (but not any such past due Basic Lease Payment), (iii) the Purchase Option Price in accordance with Section 701 of the Company Lease Agreement, and (iv) the Mandatory Purchase Price in accordance with Section 702 of the Company Lease Agreement.

"**Administrative Expense Account**" shall mean the Account within the Administrative Fund so designated and established by Article V hereof.

"**Administrative Expenses**" shall mean the fees and expenses which are incurred from time to time by or on behalf of the Authority, the County, the County Security Provider, or the Series 2011 Local Units, including the Administrative Fee, if any, in carrying out their respective rights and duties under the terms of the Program Documents, including, without limitation the Preliminary Program Costs, accounting, administrative, financial advisory, and legal expenses, the Consulting Energy Engineering Services, the fees and expenses of the Trustee, any paying agents or any other fiduciaries or agents acting on behalf of the Authority, the County, or the Series 2011 Local Units, under or pursuant to the terms of the Program Documents, which amounts shall be due and payable by the Company as an Additional Lease Payment at the times set forth in the Program Documents, or, as applicable, upon presentation of an invoice for payment; provided, however, that to the extent an Administrative Expense is incurred solely due to the action or inaction of a Series 2011 Local Unit not caused by or otherwise resulting from any action, inaction or request of the Company, such Administrative Expense shall be paid by such Series 2011 Local Unit upon presentation of an invoice for payment. Other than the $_____ of Series 2011 Bond proceeds deposited in the Administrative Fund earmarked for certain costs and expenses, including certain Administrative Expenses, and other than the Authority's annual Administrative Fee and the Trustee's annual fee to be paid as an Additional Lease Payment by the Company, the Company and the Series 2011 Local Units shall only be responsible for the reasonable amount of Administrative Expenses caused by the action or inaction of the Company or the Series 2011 Local Unit, as applicable, to the extent any such Administrative Expenses arise in the course of the implementation of the Renewable Energy Projects and/or the performance by the Authority, County, and/or Series 2011 Local Unit of their rights, duties and obligations under the Program Documents.

"**Administrative Fee"** shall mean the sum of the following, payable by the Company to the Authority at the times and the amounts as set forth below:

(i) With respect to the Series 2011 Bonds for the first Bond Year upon initial issuance thereof, the Authority's fee for the Renewable Energy Program in the amount of $120,000, consisting of the sum of (a) $100,000 payable from a portion of the proceeds of the Series 2011 Bonds that have been deposited in the Costs of Issuance Account of the Administrative Fund pursuant to Section 2.03(7)(a)(i) of the Bond Resolution and (b) $20,000 payable from a portion of the proceeds of the Series 2011 Bonds that have been deposited in the Administrative Expense Account of the Administrative Fund pursuant to Section 2.03(7)(a)(ii)(A) of the Bond Resolution; plus

(ii) For all Bond Years with respect to the Series 2011 Bonds thereafter (commencing _____), a sum of money payable by the Company as an Additional Lease Payment for deposit by the Trustee in the Administrative Expense Account of the Administrative Fund payable on the Basic Lease Payment Date immediately preceding the first day of any such Bond Year, equal to $20,000, which amount may be referred to as the Authority's annual Administrative Fee; plus

(iii) Reserved; plus

(iv) For all Bond Years with respect to the Series 2011 Bonds, a sum of money, if any, payable by the Company as an Additional Lease Payment for deposit by the Trustee in the Administrative Expense Account of the Administrative Fund payable on the last day of each such Bond Year, equal to the following:

(a) If and only if the Company determines for some good and valuable business purpose, including without limitation impending negotiations with the Authority or any other Renewable Energy Program Interested Party regarding any provision of the Program Documents, whether required for negotiation or otherwise, to allocate to the Authority or some other Renewable Energy Program Interested Party some portion of the amount realized or to be realized by or on behalf of the Company pursuant to Section 6.3(b) of the Power Purchase Agreement during any such Bond Year, the amount of such contribution, if any; plus

(v) With respect to any Series of Bonds, interest on any past due Basic Lease Payments payable at the Overdue Rate in accordance with the Company Lease Agreement (but not any such past due Basic Lease Payment); plus

(vi) For all Bond Years with respect to any Series of Additional Bonds, such amounts as may be set forth in a Supplemental Resolution, including without limitation, for any Series of Additional Bonds that refund the Series 2011 Bonds or any other Series of Outstanding Bonds, a financing fee payable upon the issuance of any such Series of Additional Bonds (from the proceeds thereof, from the Company, or otherwise) in the amount of two percent (2%) of the aggregate principal amount of any such Series of Additional Bonds, or such different amount as shall be agreed to by the Company and the Authority, plus all reasonable Administrative Expenses of the Authority and any other Renewable Energy Program Interested Party involved in any such refunding, plus an annual financing fee of one percent (1%) of the aggregate principal amount of any such Series of Additional Bonds Outstanding and payable by the Company as of the first day of each Bond Year until final maturity (stated or otherwise) thereof, except as such amounts may be modified in any such Supplemental Resolution authorizing the issuance of any such Series of Additional Bonds.

"**Administrative Fund**" means the Fund so designated and established by Article V hereof, consisting of a Costs of Issuance Account and an Administrative Expense Account.

"**Aged Account**" shall mean the Account within the Revenue Fund so designated and established by Article V hereof.

"**Applicable**" shall mean (i) with reference to any Series 2011 Local Unit, the Series 2011 Local Unit intended to be benefited or obligated thereby, (ii) with reference to any Renewable Energy Project, the Renewable Energy Project for the intended Series 2011 Local Unit, (iii) with reference to any Local Unit Facilities, the Local Unit Facilities for the intended Series 2011 Local Unit, and (iv) with reference to any Local Unit License Agreement, the Local Unit License Agreement executed for the benefit of the intended Series 2011 Local Unit.

"**Architect**" shall mean individually or collectively, as the case may be, the individual or entity appointed or caused to be appointed or employed by the Applicable Series 2011 Local Unit, the Authority, or the Company, as applicable, with respect to the provision of architectural services relating to the Renewable Energy Projects or the Capital Improvement Projects on, in, affixed or adjacent to, or otherwise for the benefit of the Local Unit Facilities for such Applicable Series 2011 Local Unit, all in accordance with applicable law, which may include the Local Public Contracts Law or the Public Schools Contracts Law, including any rules and regulations relating thereto and to which such Applicable Series 2011 Local Unit, the Authority, or the Company is subject, including without limitation any architect of record with respect to such Projects and/or Local Unit Facilities. The Architect may be a Contractor providing services pursuant to a Development Contract.

"**Authority Bondholder**," "**Authority Bond Holder**," "**Holder of Authority Bonds**," "**Holder**" or "**holder**" shall mean the registered owner of any Series of Bonds of the Authority, including the Authority's Series 2011 Bonds.

"**Authority Series 2011 Bondholder**," "**Authority Series 2011 Bond Holder**," "**Holder of Authority Series 2011 Bonds**," shall mean the registered owner of any Authority's Series 2011 Bonds.

"**Authorized Newspapers**" shall mean (i) one newspaper which is customarily published and generally circulated at least once in each calendar week in the County, and (ii) one newspaper which is customarily published in the Borough of Manhattan, City and State of New York, at least once a day for a least five days (other than legal holidays) in each calendar week, each of which newspapers is printed in the English language; *provided however* that with respect to the redemption of Bonds, "Authorized Newspapers" shall refer only to the newspaper which is described in clause (ii) of this definition.

"**Authorized Officer**" or "**Authorized Representative**" shall mean, (i) with respect to the Authority: the Chairman, the Vice Chairman, the Treasurer, or the Secretary of the Authority and, when used with reference to an act or document, also means any other person

who shall be authorized by resolution or the by-laws of the Authority to perform such act or to execute such document or any other person or persons who shall be authorized by resolution of the Authority to act on behalf of the Authority or by a written certificate duly executed on behalf of the Authority by the Chairman or by the Vice Chairman of the Authority, which certificate shall set forth such authorization and shall contain the specimen signatures of each such person; (ii) with respect to any Series 2011 Local Unit: the person designated as an Authorized Officer in the Applicable Local Unit License Agreement of any such Series 2011 Local Unit or any other person or persons who shall be authorized to act on behalf of such Series 2011 Local Unit by virtue of a resolution of the governing body of such Series 2011 Local Unit, which resolution shall set forth such authorization; (iii) with respect to the Trustee: any officer of the Trustee authorized by the Trustee to act or execute documents on behalf of the Trustee; (iv) with respect to Company: any officer of the Company authorized by the Company to act or execute documents on behalf of the Company; (v) with respect to the County Security Provider: any officer of the County Security Provider authorized by the County Security Provider to act or execute documents on behalf of the County Security Provider; (vi) with respect to the County in any capacity other than clause (ii) above, the County Administrator of the County and, when used with reference to an act or document, also means any other person who shall be authorized by State statute, ordinance, resolution, by-laws or Administrative Code of the County to perform such act or to execute such document or any other person or persons who shall be authorized by resolution or ordinance of the Board of Freeholders to act on behalf of the County or by a written certificate duly executed on behalf of the County by the County Administrator of the County, which certificate shall set forth such authorization and shall contain the specimen signatures of each such person.

"**Base Rate**" shall mean the rate of interest established by the Trustee from time to time as its reference rate in making loans but does not reflect the rate of interest charged to any particular class of borrowers, and is not tied to any external rate of interest or index. The applicable rate will change automatically and immediately as of the date the Trustee changes its Base Rate, without notice to any party. If no other rate shall be so established by the Trustee, the Base Rate shall be the Trustee's prime rate as determined from time to time.

"**Basic Lease Payment**" shall mean, as of each Basic Lease Payment Date, the amount set forth in Exhibit A-3 to the Company Lease Agreement corresponding to such Basic Lease Payment Date and designated as a Basic Lease Payment. The Basic Lease Payment as of any Basic Lease Payment Date is equal to the payment of the Principal Portion and Interest Portion due on such Basic Lease Payment Date, and shall be established as the amount set forth in Exhibit A-3 to the Company Lease Agreement for such date, less other amounts available under the Bond Resolution, if any, to make the payment on time and in full of the principal of (including Sinking Fund Installments), and interest on the Outstanding Bonds on the next occurring Principal Payment Date and Interest Payment Date respectively, of the Outstanding Bonds, including without limitation the credits available under (i) Section 302(a)(i) and (ii) of the Company Lease Agreement with respect to Power Purchase Price Payments made by the Series 2011 Local Units, (ii) Section 310(b) of the Company Lease Agreement with respect to investment earnings and certain other Revenue Fund transfers, (iii) Section 510(e)(i)(B) of the

Company Lease Agreement with respect to excess amounts in the Project Fund, (iv) Section 5.07(3)(a) of the Bond Resolution regarding the transfer of funds from the County Security Fund, if any, to the Aged Account of the Revenue Fund, (v) Section 701 of the Company Lease Agreement with respect to prepayments (provided that there is no additional credit to the extent of that portion of the partial prepayment, if any, funded from the County Security Fund (if any) transfer contemplated in clause (iv) above in order to avoid the same funds being double counted), (vi) Section 3.7(a)(iv)(A) of the Local Unit License Agreements for each Series 2011 Local Unit upon the revocation of their Local Unit License, or (vii) Section 802(c) of the Company Lease Agreement with respect to certain application of the Net Proceeds of any insurance or condemnation award.

"**Basic Lease Payment Date**" shall mean any date set forth in Exhibit A-3 to the Company Lease Agreement and designated as a Basic Lease Payment Date, which for the Interest Portion (December 1 and June 1, commencing December 1, 2012) and Principal Portion (December 1, commencing December 1, 2012) of any Basic Lease Payment, shall be a day five (5) months prior to any regularly scheduled Interest Payment Date and any regularly scheduled Principal Payment Date, respectively, or if either of such days is not a Business Day, the first Business Day prior to such date.

"**Board**" shall mean the governing body of the Authority, or if said Board shall be abolished, the board, body, commission or agency succeeding to the principal functions thereof or to whom the powers and duties granted or imposed by the Bond Resolution shall be given by law.

"**Bond**" or "**Bonds**" shall mean any of the Bonds of any Series issued pursuant to the terms of this Bond Resolution, including the Series 2011 Bonds and any Additional Bonds, or any Bonds that are thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 4.07 or 11.10 hereof.

"**Bond Counsel**" shall mean Inglesino, Pearlman, Wyciskala & Taylor, LLC, or any other attorney at law, or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exclusion of interest on bonds or other obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state.

"**Bond Year**" shall mean (i) with respect to any Series of Outstanding Bonds, including the Series 2011 Bonds, a period of 12 consecutive months beginning on November 1 of any calendar year and ending on October 31 of the immediately succeeding calendar year except that (ii) the first Bond Year with respect to the Series 2011 Bonds shall be a period commencing on the date of issuance of the Series 2011 Bonds and ending on October 31, 2012 and (iii) the first Bond Year with respect to any other Series of Bonds shall be a period commencing on the date of issuance of such Series of Bonds and ending on the succeeding 31st day of October.

"**Bondholder**," "**Bond Holder**," "**Holder**" or "**Holder of Bonds**" shall mean the registered owner of any Series of Bonds of the Authority, including the Authority's Series 2011 Bonds.

"**Business Day**" shall mean, with respect to the Bonds of any Series, any day other than (i) a Saturday, Sunday or legal holiday or a day on which banking institutions, in the city in which the Principal Office of the Authority, any Series 2011 Local Unit, the Trustee or the Paying Agent is located, are closed, or (ii) a day on which the New York Stock Exchange is closed.

"**Capitalized Interest Account**" shall mean the Account within the Debt Service Fund so designated and established by Article V hereof, or by Supplemental Resolution.

"**Certificate**" shall mean a written certificate signed in the name of the Authority, any Series 2011 Local Unit, the County, the Company or the Trustee. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the instruments so combined shall be read and construed as a single instrument.

"**CIP Acceptance Certificates**" shall mean the certificates, one for each Series 2011 Local Unit with respect to the acceptance and completion of the Capital Improvement Projects on, in or about the Local Unit Facilities for each such Series 2011 Local Unit, in the form attached as Exhibit B-2 to the Company Lease Agreement, executed by an Authorized Officer of the Company, acknowledged by an Authorized Officer of the Applicable Series 2011 Local Unit, and acknowledged as to form only by an Authorized Officer of the Authority, evidencing, among other things, that all of the Capital Improvement Projects for each such Series 2011 Local Unit has been completed in accordance with the Plans and Specifications therefore, and has been accepted by such Series 2011 Local Unit, and determining any matters regarding the application of excess funds in accordance with Section 5.02 of the Bond Resolution. The Authority and the Company acknowledge and agree that the Company shall not be responsible for the construction of any Capital Improvement Projects under the Program Documents and any references in such Program Documents to the Capital Improvement Projects shall be of no further force and effect.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended and supplemented, and the Treasury regulations promulgated pursuant thereto.

"**Company Draw Papers**" shall have the meaning ascribed to such term in Section 510(c) of the Company Lease Agreement.

"**Company Development Fees and Expenses**" shall mean the development fees and expenses incurred by the Company in responding to the Company RFP, and in developing the Projects for the Series 2011 Local Units at the Local Unit Facilities, all in accordance with the terms of the Company Documents, and which amount may include a development fee paid to

or on behalf of the Company and or its affiliates, and so long as the aggregate of all such fees and expenses shall not exceed $_____ (competitively procured through the Company RFP process) without the express written consent of the Authority, and which amounts shall be payable in accordance with the provisions of Section 5.02(2)(b) of the Bond Resolution and 509(d) of the Company Lease Agreement.

"**Company Pledge Agreement**" shall mean that certain "Pledge and Security Agreement (Morris County Renewable Energy Program, Series 2011)" dated as of November 1, 2011 issued by [Company] (managing member of the Company), as pledgor, in favor of the Trustee, as acknowledged by the Company.

"**Completion Conditions**" shall have the meaning set forth in Section 3.6(a) of the Power Purchase Agreement.

"**Completion Project**" shall mean any completion, additions, enlargements, improvements, expansions, repairs, restorations or reconstructions of the Renewable Energy Projects or the Capital Improvement Projects, if any, for the Series 2011 Local Units at their Local Unit Facilities, including to the extent any prior Completion Project shall, for whatever reason, be insufficient for the Local Unit's purposes, for use by the Local Unit pursuant to any amendment or supplement to the Local Unit License Agreement, including, without limitation, all real and personal property and rights therein and any appurtenances that are necessary or useful and convenient therefor, which shall be funded through any combination of the issuance of Additional Bonds, the application of excess proceeds pursuant to Section 5.02 hereof, any grant or subsidized funding from the Federal, State or local government or other source, the equity contribution of any Renewable Energy Program Interested Party, or otherwise. To the extent such Completion Project shall be funded in whole or in part by Additional Bonds of the Authority, such Completion Project shall not be paid for by or on behalf of the Company unless the Company Lease Agreement is amended and supplemented (with the Company's consent), including as applicable the Basic Lease Payment schedule, to reflect any increased principal of and interest due on any Series of Additional Bonds issued to fund all or a portion of such Completion Project. The Authority may, at its sole discretion, issue Additional Bonds for any Completion Project, but it is under no obligation to do so, and accordingly, the Authority may make the execution and delivery by the Company of an amendment or supplement to the Company Lease Agreement regarding the payment of additional Basic Lease Payments a condition precedent to the issuance of any such Series of Additional Bonds.

"**Contractor**" shall mean the Company, _____, or any other subcontractor or other third-party designated by the Company through a Development Contract or otherwise, in any such case as the entity obligated to design, permit, acquire, construct, install, operate and/or maintain all or a portion of the Renewable Energy Projects on the Local Unit Facilities for the Series 2011 Local Units, or to design, permit, acquire, construct, renovate and/or install all or a portion of the Capital Improvement Projects on the Local Unit Facilities for the Series 2011 Local Units.

"**Construction Manager**" shall mean, individually or collectively, as the case may be, the person or firm hired, employed or otherwise engaged by either of the Authority or any Series 2011 Local Unit, that shall be responsible for the oversight of the implementation of one or more segments of the design, permitting, acquisition, construction, and installation, and as applicable, the operation and maintenance of the Renewable Energy Projects by the Company for any Series 2011 Local Unit, or the design, permitting, acquisition, construction, renovation, and installation of the Capital Improvement Projects by the Company for any Series 2011 Local Unit.

"**Consulting Energy Engineer**" shall mean individually or collectively, as the case may be, Birdsall Services Group and Gabel Associates, and any other consulting energy and/or engineer that performs Consulting Energy Engineering Services

"**Consulting Energy Engineering Services**" shall mean those services performed by or on behalf of the Consulting Energy Engineer that the Authority deems necessary, desirable or convenient in order to implement the Renewable Energy Program, including without limitation review of Local Unit Facilities for feasible inclusion in the Renewable Energy Program and the particular tranche, formulation of the Series 2011 Local Units, assistance in connection with the Company RFP and review of all proposals, including the Company Proposal and issuance of the report required by applicable law as a pre-condition to the selection of the Company as the successful respondent, assistance with the terms and conditions of the Program Documents, and all services of Construction Manager in overseeing the development of the Renewable Energy Projects for the Series 2011 Local Units.

"**Cost**", "**Costs**", "**Costs of the Project**", "**Costs of the Projects**", "**Project Cost**" or "**Project Costs**" shall mean and be deemed to include, with respect to any Project, together with any other proper item of cost not specifically mentioned herein, whether incurred prior to or after the date of any Program Document, (i) Preliminary Program Costs and the Company Development Fees and Expenses, (ii) costs of and expenses related to the design, permitting, acquisition, construction, installation, operation, maintenance, and financing of the Renewable Energy Projects for the Series 2011 Local Units, and (iii) costs of and expenses related to the design, permitting, acquisition, construction, renovation, installation, and financing of the Capital Improvement Projects for the Series 2011 Local Units; including, without limitation, costs and expenses related to any Architect, Construction Manager or Contractor, the Plans and Specifications, and/or any other costs and expenses related to any Development Contract, the costs of payment of, or reimbursement for, advances, deposits, down-payments or progress payments, administrative costs, insurance costs, costs of surety, construction or performance or payment bonds, financing payments, sales taxes, excise taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recording costs, printing costs, reproduction and binding costs, Administrative Expenses, costs of Rating Agencies, credit ratings or credit enhancement, fees for the printing, execution, transportation and safekeeping of the Bonds and charges and fees in connection with the foregoing; the cost of insurance; (iv) any sums required to reimburse the Renewable Energy Program Interested Parties for advances made for any of the above items, or for any other costs incurred and for work done,

which is properly chargeable to any Project thereof; (v) deposits in any Fund or Account under the Bond Resolution, all as shall be provided in the Bond Resolution; and (vi) such other expenses not specified herein as may be necessary or incidental to the implementation of the Renewable Energy Program, including those incurred by the Renewable Energy Program Interested Parties and including costs and expenses related to the placing of the Projects in use and operation.

"**Costs of Issuance**" shall mean all items of expense directly or indirectly payable by or reimbursable to any Renewable Energy Program Interested Parties (other than the Company Development Fees and Expenses payable to the Company) and related to the authorization, execution, sale and delivery of the Bonds of any Series, including the Series 2011 Bonds, including, but not limited to, bond insurance costs or costs of other credit enhancement, Rating Agency fees, advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any such Renewable Energy Program Interested Parties, the fees and expenses to be paid to the underwriters of a particular Series of Bonds (which fees and expenses, including their counsel, may be paid as a discount from Bond proceeds, rather than from the Costs of Issuance Account), including the Series 2011 Bonds, legal and financial advisory fees and expenses of such Renewable Energy Program Interested Parties, Consulting Energy Engineering Services, and initial charges, and all other initial fees and disbursements contemplated by the Program Documents.

"**Costs of Issuance Account**" shall mean the Account within the Administrative Fund so designated and established by Article V hereof.

"**Counsel**" shall mean an attorney at law or firm of attorneys at law (who may be, without limitation, of counsel to, or an employee of any Renewable Energy Program Interested Party) duly admitted to practice law before the highest court of any state.

"**County Security Fund**" shall mean the Fund so designated and established by Article V hereof.

"**County Security Fund Requirement**" shall mean the minimum amount on deposit in the County Security Fund in the amounts, as of the dates, specified on **Exhibit B** to the Bond Resolution, to be held as security for the County in the event of a payment or payments to be made by the County under its County Guaranty, and otherwise to be applied in accordance with the terms of the Program Documents; provided, however, that **Exhibit B** may be modified at any time by a new **Exhibit B** delivered by the Authority to the Trustee attached to a Certificate of an Authorized Officer of the Authority directing the Trustee to replace such **Exhibit B**, without the need for an amendment or supplement hereto (and without the need for Bondholder consent), which Certificate shall only be delivered by the Authority to the extent the Company and the County agree to such revised **Exhibit B**, as evidenced by their acknowledgment in writing to any such Authority Certificate. Such Certificate shall also set forth and direct the Trustee regarding the transfer or disposition of excess funds in the County Security Fund, if such Certificate shall cause same. The Authority covenants to request that the

Company and the County consider amending **Exhibit B** at such times as the Authority shall deem appropriate, but in any event such request shall occur at least three (3) months prior to the second (2nd) anniversary of the issuance of the Series 2011 Bonds.

"**Debt Service Fund**" means the Fund so designated and established by Article V hereof, consisting of an Interest Account, and a Principal Account.

"**Default**" shall mean an event or condition, the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default with respect to the Bonds, including the Series 2011 Bonds.

"**Development Contract**" shall mean (i) in the case of the Company, the Company Lease Agreement, (ii) in the case of _____, as Contractor, that certain "Turnkey Design, Engineering, Procurement and Construction Contract" between the Company and such Contractor with respect to the Projects, and (iii) in the case of any other Contractor, that certain contract obligating any such other subcontractor or other third-party, as Contractor and on behalf of the Company, to design, permit, acquire, construct, install, operate and/or maintain all or a portion of the Renewable Energy Projects on the Local Unit Facilities for the Series 2011 Local Units, or to design, permit, acquire, construct, renovate and/or install all or a portion of the Capital Improvement Projects on the Local Unit Facilities for the Series 2011 Local Units. Nothing in any Development Contract shall relieve the Company from its obligations under the Company Lease Agreement and the other Company Documents, which obligations shall include the Company's continual obligation to design, permit, acquire, construct, install, operate and/or maintain all of the Renewable Energy Projects on the Local Unit Facilities for the Series 2011 Local Units, and to design, permit, acquire, construct, renovate and/or install all of the Capital Improvement Projects on the Local Unit Facilities for the Series 2011 Local Units.

"**DOE Grant**" shall mean the grant from the Federal Department of Energy relating to the Renewable Energy Program, the amount and terms of which may be set forth in a Certificate of an Authorized Officer of the Authority executed pursuant to Section 2.02(1)(e) hereof, even if executed and delivered after the date of issuance of the Series 2011A Bonds.

"**Draw Date**" shall have the meaning ascribed to such term in Section 510(b) of the Company Lease Agreement, and shall not be a regularly scheduled set of dates, but shall occur no more frequently than twice a month.

"**Draw Papers**" shall have the meaning ascribed to such term in Section 510(c) of the Company Lease Agreement.

"**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 Bonds, including the Series 2011 Bonds.

"**Event of Default**" shall mean any occurrence or event designated as such in Section 9.01 of the Bond Resolution.

"**Fiduciary**" or "**Fiduciaries**" shall mean individually or collectively, as the case may be, the Trustee or the Paying Agent under the Bond Resolution.

"**Funds**" shall mean any of the funds established by Article V of the Bond Resolution.

"**General Fund**" shall mean the Fund so designated and established by Article V of the Bond Resolution.

"**Gross Substitute Power Purchase Price**" shall have the meaning ascribed to such term in Section 5.2(a)(i) of the Local Unit License Agreements for the Series 2011 Local Units.

"**Interconnection Agreement**" shall mean, individually or collectively, as the case may be, one or more agreements between or among, the existing local electric utility distribution provider and one or more of the Company, the Applicable Series 2011 Local Unit and/or the Authority, with respect to the interconnection of the completed Renewable Energy Projects for such Series 2011 Local Unit to the electric utility distribution system of such provider, which may take the form of an application and acceptance by at least two of such parties.

"**Interest Account**" shall mean the Account within the Debt Service Fund so designated and established by Article V of the Bond Resolution.

"**Interest Payment Date**" shall mean, the date on which interest on the Bonds, including the Series 2011 Bonds, is required to be paid to the Holders thereof, (i) (a) except as set forth in clause (b) below, being the first (1st) day of each November 1 and May until final maturity of the Bonds, including the Series 2011 Bonds, commencing May 1, 2013 with respect to the Series 2011A Bonds, and (b) which shall be _____ with respect to the Series 2011B Bonds, each of which shall constitute a regularly scheduled Interest Payment Date, or the date of (ii) redemption or (iii) acceleration of the Bonds, including the Series 2011 Bonds.

"**Interest Portion**" shall mean, with respect to Basic Lease Payments due on any Basic Lease Payment Date, the portion of such Basic Lease Payment equal to the interest due and owing on the Outstanding Bonds, including the Series 2011 Bonds, on the immediately succeeding Interest Payment Date, as set forth in Exhibit A-3 to the Company Lease Agreement, less other amounts available under the Bond Resolution, if any, to make the payment on time and in full of the interest on the Bonds on the next occurring Interest Payment Date of the Bonds, including without limitation the credits available under (i) Section 302(a)(i) of the Company Lease Agreement with respect to Power Purchase Price Payments made by the Series 2011 Local Units, (ii) Section 310(b) of the Company Lease Agreement with respect to investment earnings

and certain other Revenue Fund transfers, (iii) Section 510(e)(i)(B) of the Company Lease Agreement with respect to excess amounts in the Project Fund, (iv) Section 5.07(3)(a) of the Bond Resolution regarding the transfer of funds from the County Security Fund, if any, to the Aged Account of the Revenue Fund, (v) Section 701(a) of the Company Lease Agreement with respect to partial prepayments (provided that there is no additional credit to the extent of that portion of the partial prepayment, if any, funded from the County Security Fund (if any) transfer contemplated in clause (iv) above in order to avoid the same funds being double counted), (vi) Section 3.7(a)(iv)(A) of the Local Unit License Agreements for each Series 2011 Local Unit upon the revocation of their Local Unit License, or (vii) Section 802(c) of the Company Lease Agreement with respect to certain application of the Net Proceeds of any insurance or condemnation award.

"**Investment Securities**" shall mean and include any of the following securities, if and to the extent the same are at the time legal for investment of the Authority's funds:

(i) Cash, direct non-callable obligations of the United States of America, and securities fully and unconditionally guaranteed as to the timely payment of principal of and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS or defeased municipal notes or bonds rated in the highest rating category by at least one of the Rating Agencies;

(ii) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state or of any agency or instrumentality of any such local governmental unit (a) that are not callable prior to maturity or as to which irrevocable instructions have been given to the Trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds or other obligations for redemption on the date or dates specified in such instructions, (b) that are secured as to principal, interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character in clause (i) above that have been deposited in such fund, along with any cash on deposit in such fund, are sufficient to pay the principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate;

(iii) Bonds, debentures or other evidences of indebtedness issued or guaranteed by any agency or corporation that has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America; provided, however, that at the time of their purchase hereunder such obligations are rated in either of the two highest rating categories by the Rating Agencies;

(iv) New housing authority bonds issued by public agencies or municipalities that are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or project notes issued by public agencies or municipalities that are fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(v) Direct, general obligations of any state of the United States of America, the payment of the principal of and interest on which the full faith and credit of such state is pledged; provided, however, that at the time of their purchase hereunder such obligations are rated in either of the two highest rating categories by the Rating Agencies;

(vi) Obligations of any state of the United States of America or any political subdivision thereof or of any agency or instrumentality of any such state or political subdivision that shall be rated in the highest short- or long-term rating category by the Rating Agencies;

(vii) Direct and general obligations of the State, the payment of the principal of and interest on which the full faith and credit of the State is pledged; or any bonds or other obligations the payment of the principal of and interest on which are unconditionally guaranteed by the State;

(viii) Certificates or other instruments that evidence ownership of the right to payments of principal of or interest on obligations of any state of the United States of America or any political subdivision thereof or of any agency or instrumentality of any such state or political subdivision; provided, however, that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under Section 10.09 hereof; and provided, further, that the payments of all principal of and interest on such obligations shall be fully insured or unconditionally guaranteed by, or otherwise unconditionally payable pursuant to a credit support arrangement provided by, one or more financial institutions or insurance companies or associations that shall be rated in the highest short- or long-term rating category by the Rating Agencies, or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the

principal of and interest on municipal bonds, such insurance policy shall result in such municipal bonds being rated in the highest rating category by the Rating Agencies;

(ix) Certificates that evidence ownership of the right to payments of principal of or interest on obligations described in clause (i) above; provided, however, that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under Section 10.09 hereof;

(x) Certificates of deposit, whether negotiable or non-negotiable, demand deposits, and banker's acceptances of any of the fifty (50) largest banks by measure of total assets, which banks may include the Trustee, that are rated not lower than the second highest rating category by the Rating Agencies;

(xi) Commercial paper rated at the date of investment in the highest rating category by the Rating Agencies;

(xii) Any repurchase agreement that, by its terms, matures not later than one (1) year from its date of execution with any bank or trust company organized under the laws of any state of the United States of America or any national banking association, including the Trustee, or any government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clause (i), (iii), (iv), (x) or (xi) above and which securities shall at all times have a market value (exclusive of accrued interest) of not less than one hundred two percent (102%) of the full amount of the repurchase agreement, have dates of maturity not in excess of seven (7) years, and be delivered to another bank or trust company organized under the laws of any state of the United States of America or national banking association, as custodian;

(xiii) Shares of an investment company organized under the Investment Company Act of 1940, as amended, including any investment company for which the Trustee is investment advisor, that invests its assets substantially in obligations of the type described in clause (ii), (vii), (xi) or (xii) above;

(xiv) Interests in the State of New Jersey Cash Management Fund or other similar common trust fund for which the State Treasurer is the custodian;

(xv) Local government investment pools;

(xvi) Money market funds which seek to maintain a constant net asset value per share and are rated in the highest short term rating categories of such funds, by at least two Rating Agencies;

(xvii) With respect to the County Security Fund only, any other investment for which funds of the County may be legally invested at such time; and

(xviii) Any other investments permitted under N.J.S.A. 40A:5-15.1, or any such successor statute.

"**Lease Payments**" shall mean all amounts due and payable by the Company pursuant to the terms of the Company Lease Agreement, and shall consist of Basic Lease Payments and the Additional Lease Payments.

"**Letter of Instructions**" shall mean the letter of instructions attached to any Tax Certificate as an exhibit thereto provided by Inglesino, Pearlman, Wyciskala & Taylor, LLC or other Bond Counsel on the date of issuance and delivery of the Series of Bonds to which it applies, as such letter may be amended from time to time, as a source of guidance for compliance with the Code. There shall be no Letter of Instructions with respect to the Series 2011 Bonds.

"**Local Finance Board Application**" shall mean the Authority's application to the Local Finance Board in the Division of Local Government Services of the Department of Community Affairs dated January 19, 2011 with respect to the Series 2011 Bonds, which was the subject of a public hearing by and findings resolution of the Local Finance Board on March 9, 2011.

"Mandatory Purchase Price" shall have the meaning ascribed to such term in Section 702 of the Company Lease Agreement relating to the acceleration of the Bonds of any Series, including the Series 2011 Bonds.

"**Net Proceeds**" shall mean any insurance, condemnation, performance bond, or any other financial guaranty proceeds paid with respect to any portion of the Projects, remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as the Company elects to provide self-insurance under Section 614 of the Company Lease Agreement, any moneys payable from any self-insurance fund of the Company which may lawfully be expended for the purposes for which such self-insurance is provided.

"**Net Substitute Power Purchase Price**" shall have the meaning ascribed to such term in Section 5.2(a)(i) of the Local Unit License Agreements for the Series 2011 Local Units.

"**Official Statement**" shall have the meaning set forth in Section 6.06 of this Bond Resolution.

"**Outstanding**" or "**outstanding**" shall mean, when used with reference to Bonds of any Series, including the Series 2011 Bonds, as of any particular date (subject to the provisions of Section 13.08 hereof), all Bonds of such Series theretofore, or thereupon being, authenticated and delivered by the Trustee under this Bond Resolution, except: (i) Bonds of such Series theretofore or thereupon canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds of such Series with respect to which all liability of the Authority shall have been defeased or discharged in accordance with Article XII of the Bond Resolution; and (iii) Bonds of such Series in lieu of or in substitution for which other Bonds of such Series shall have been authenticated and delivered by the Trustee pursuant to any provision of this Bond Resolution.

"**Overdue Rate**" shall mean two percent (2%) per annum over the Base Rate, which rate shall change automatically and immediately as of the date the Trustee changes its Base Rate, without notice to any Renewable Energy Program Interested Parties; *provided, however*, that notwithstanding the foregoing, to the extent the County Security, if any, shall have been drawn upon to reimburse the County in full for any County payments under the County Guaranty, the Overdue Rate with respect to interest to be paid on past due Basic Lease Payments (such payment of interest constituting an Additional Lease Payment under the Company Lease Agreement) shall have such different meaning, if any, as set forth in the County Security Agreement.

"**Owner**" or "**Registered Owner**" of a Bond shall mean the registered owner of any Series of Bonds of the Authority, including the Authority's Series 2011 Bonds. as shown on the register kept by the Trustee pursuant to Section 3.04 of the Bond Resolution.

"**Paying Agent**" means the Paying Agent appointed pursuant to Section 10.02 of the Bond Resolution, and its successors.

"**Plans and Specifications**" shall mean the architectural and engineering drawings and specifications prepared by the Architect or other Contractor (through a Development Contract or otherwise) describing the Renewable Energy Projects or the Capital Improvement Projects (if any), including any Completion Project, as the case may be, as agreed to among the Company and the Applicable Series 2011 Local Unit pursuant to Section 501 of the Company Lease Agreement.

"**Power Purchase Price Payments**" shall mean the payments made by the respective Series 2011 Local Units for the purchase of electricity to the Trustee, at the direction of the Authority and on behalf of the Company, all in accordance with Section 5.1(c)(i) of the Local Unit License Agreements.

"**Preliminary Official Statement**" shall have the meaning set forth in Section 6.05 of this Bond Resolution.

"**Principal Account**" shall mean the Account within the Debt Service Fund so designated and established by Article V of this Bond Resolution.

"**Principal Office**" shall mean, when used with reference to the Authority, the Trustee or the Paying Agent, the respective addresses of such parties as set forth in Section 13.07 hereof, and any further or different addresses as such parties may designate pursuant to Section 13.07 hereof, and with reference to the Series 2011 Local Units, the addresses set forth in Exhibit A-2 to the Company Lease Agreement, as any such party may update from time to time in accordance with the terms of the Company Lease Agreement.

"**Principal Payment Date**" shall mean, the date on which principal (including Sinking Fund Installments, if any) of the Bonds, including the Series 2011 Bonds, is required to be paid to the Holders thereof, (i) (a) except as set forth in clause (b) below, being the first (1st) day of each May until final maturity of the Series 2011 Bonds, commencing May 1, 2013 with respect to the Series 2011A Bonds, and (b) which shall be _____ with respect to the Series 2011B Bonds, each of which shall constitute a regularly scheduled Principal Payment Date, or the date of (ii) redemption or (iii) acceleration of the Bonds, including the Series 2011 Bonds.

"**Principal Portion**" shall mean, with respect to Basic Lease Payments due on any Basic Lease Payment Date, the portion of such Basic Lease Payment equal to the principal (including Sinking Fund Installments) of the Outstanding Bonds, including the Series 2011 Bonds, due and owing on the immediately succeeding Principal Payment Date, as set forth in Exhibit A-3 attached to the Company Lease Agreement, [except for the Basic Lease Payments due on _____ and _____, where Exhibit A-3 shall be controlling for such two (2) dates (due to the requirement that the Basic Lease Payment amount due for such two (2) dates shall not be equal to the amount due on the Outstanding Bonds)], less other amounts available under the Bond Resolution, if any, to make the payment on time and in full of the principal of (including Sinking Fund Installments) the Bonds on the next occurring Principal Payment Date of the Bonds, including without limitation the credits available under (i) Section 302(a)(ii) of the Company Lease Agreement with respect to Power Purchase Price Payments made by the Series 2011 Local Units, (ii) Section 310(b) of the Company Lease Agreement with respect to investment earnings and certain other Revenue Fund transfers, (iii) Section 510(e)(i)(B) of the Company Lease Agreement with respect to excess amounts in the Project Fund, (iv) Section 5.07(3)(a) of the Bond Resolution regarding the transfer of funds from the County Security Fund, if any, to the Aged Account of the Revenue Fund, (v) Section 701(a) of the Company Lease Agreement with respect to partial prepayments (provided that there is no additional credit to the extent of that portion of the partial prepayment, if any, funded from the County Security Fund (if any) transfer contemplated in clause (iv) above in order to avoid the same funds being double counted), (vi) Section 3.7(a)(iv)(A) of the Local Unit License Agreements for each Series 2011 Local Unit upon the revocation of their Local Unit License, or (vii) Section 802(c) of the

Company Lease Agreement with respect to certain application of the Net Proceeds of any insurance or condemnation award.

"**Proceeds**" shall mean the aggregate moneys paid by the initial purchasers of the Bonds of any Series, including the Series 2011 Bonds, to the Trustee, including any accrued interest on the Bonds, which may be net of any applicable underwriter's discount with respect to the applicable Series of Bonds.

"Purchase Option Price" shall have the meaning ascribed to such term in Section 701 of the Company Lease Agreement relating to the optional redemption of the Bonds of any Series, including the Series 2011 Bonds.

"**Project Fund**" shall mean the Fund so designated and established by Article V hereof.

"**Rating Agency**" shall mean individually or collectively, as the case may be, Moody's Investors Service, Standard & Poor's, or any other nationally recognized rating agency that has rated the Bonds, including the Series 2011 Bonds, or any Series of Additional Bonds, which rating was sought and/or purchased by the Authority.

"**Record Date**" shall mean with respect to an Interest Payment Date for a particular Series of Bonds, including the Series 2011 Bonds, unless otherwise provided by this Bond Resolution or a Supplemental Resolution authorizing such Series, the first (1st) day (whether or not such day shall be a Business Day) of the month preceding such Interest Payment Date.

"**Redemption Price**" shall mean, when used with reference to any Series of Bonds, including the Series 2011 Bonds or any portion thereof, the principal amount of such Bonds or such portion thereof and any premium thereon payable upon redemption thereof pursuant to the provisions of such Bonds and this Bond Resolution, except that with respect to the redemption of the Series 2011B Bonds pursuant to Section 2.03(5)(c) hereof, it shall mean one dollar ($1.00).

"**Reimbursement Collateral**" shall mean, to the extent a County Security Agreement shall be delivered to the Authority and the Trustee in accordance with the provisions of Section 5.07(6) of the Bond Resolution, (i) the SRECs, (ii) the Net Substitute Power Purchase Price, and (iii) any past due Basic Lease Payments, together with any Additional Lease Payments constituting interest payable on such past due Basic Lease Payments at the Overdue Rate, all of which shall have been pledged and assigned by the Authority to the County Security Provider under the County Security Agreement, subject to the prior pledge thereof to the County under the County Guaranty Agreement, which prior pledge shall supersede the pledge to the County Security Provider only to the extent the County shall fail to have been reimbursed in full for all payments made by the County under the County Guaranty from the County Security Provider through a draw under the County Security. If no County Security Agreement shall be so

delivered, this term shall mean such portion of the monies and securities on deposit in the County Security Fund at any time, if any, that shall be available to the Company, in such case as County Security Provider, after and to the extent the County has been fully paid under its County Guaranty; provided that no such monies shall be made available to the Company until the County has completed all of its payment obligations under the County Guaranty and been fully reimbursed therefor, from the County Security Fund or otherwise.

"**Renewable Energy Program Interested Parties**" shall mean individually or collectively, as the case may be, the Authority, the County, the Series 2011 Local Units, the Company, the Construction Manager, the County Security Provider, the Trustee or any other fiduciary under the Program Documents, or any other interested party with a right, duty or obligation under the Program Documents, including any agents (including professional advisors) of any of the foregoing.

"**REP Acceptance Certificates**" shall mean the certificates, one for each Series 2011 Local Unit with respect to the acceptance and completion of the Renewable Energy Projects on, in or about the Local Unit Facilities for each such Series 2011 Local Unit, in the form attached as **Exhibit B-1** to the Company Lease Agreement, executed by an Authorized Officer of the Company, acknowledged by an Authorized Officer of the Applicable Series 2011 Local Unit, and acknowledged as to form only by an Authorized Officer of the Authority, evidencing, among other things, that all of the Renewable Energy Projects for each such Series 2011 Local Unit have been completed in accordance with the Plans and Specifications therefor, and have been accepted by the Company and the Applicable Series 2011 Local Unit, and determining any matters regarding the application of excess funds in accordance with Section 5.02 of the Bond Resolution.

"**Reserved Rights**" shall mean the Authority's right to retain the following under the Company Lease Agreement, which shall not be part of the Trust Estate pledged to the Trustee under Section 1.04 of the Bond Resolution:

(i) Receive the Additional Lease Payments earmarked for purposes other than the Purchase Option Price or the Mandatory Purchase Price (which Purchase Option Price or the Mandatory Purchase Price Additional Lease Payments constitute part of the Trust Estate, and are therefore not reserved to the Authority), including without limitation (a) the Administrative Fee, if any, and any other Administrative Expenses, which the Authority shall be obligated to pay or cause to be paid to the Renewable Energy Program Interested Parties due such Administrative Expenses, and (b) interest payable on past due Lease Payments at the Overdue Rate (but not the Basic Lease Payments that may be paid together with any payment at the Overdue Rate, which Basic Lease Payments constitute part of the Trust Estate, and are therefore not reserved to the Authority), provided, further, that the portion of which interest that is attributable to past due Basic Lease Payments may be assigned by the Authority to the County and/or the County Security Provider, if any, as part of the Reimbursement Collateral;

(ii) The payments set forth in Section 5.2(a)(ii) and (iii) of the Local Unit License Agreements for the Series 2011 Local Units that reflect the difference between the Gross Substitute Power Purchase Price and the Net Substitute Power Purchase Price, which includes the Administrative Fee;

(iii) Receive notices provided for in the Company Lease Agreement or any other Program Document;

(iv) Appoint, replace or remove such parties as shall be appointed, replaced or removed under the Company Lease Agreement or any other Program Document at the direction of the Authority; and

(v) The right to give or withhold consents, including consents to amendments, permitted or required of the Authority under the Company Lease Agreement or any other Program Documents, to the extent that any such consent or amendment would diminish the rights or enlarge the responsibilities or adversely affect the ability of the Authority to realize or perform same, respectively, or which would increase the Authority's potential liability or exposure to any party to any Program Document or to any third party as a result thereof. All such notices, appointments or consents under any other Program Document (i.e., other than the Company Lease Agreement) shall be unaffected by these rights, as the Authority's rights under the other Program Documents are not subject to the pledge of the Trust Estate under Section 1.04 of the Bond Resolution, and are either retained by the Authority, or assigned pursuant to the terms of the Program Documents, but in any event, shall not constitute a Revenue or other part of the Trust Estate for purposes of the Bond Resolution.

"**Revenue Account**" shall mean the Account within the Revenue Fund so designated and established by Article V hereof.

"**Revenue Fund**" shall mean the Fund so designated and established by Article V of the Bond Resolution.

"**Revenues**" shall mean (i) all Basic Lease Payments made by the Company under the Company Lease Agreement, together with all Power Purchase Price Payments made by the Series 2011 Local Units to the Trustee, (ii) those Additional Lease Payments related to the Purchase Option Price or the Mandatory Purchase Price made by the Company under the Company Lease Agreement, (iii) any investment income which is derived from the investment of any funds which are held by the Trustee pursuant to the terms of the Bond Resolution and which are deposited in the Funds and Accounts established under the Bond Resolution; provided, however, that Revenues shall not include the investment income on moneys or securities held in the Administrative Expense Account or the Costs of Issuance Account of the Administrative Expense Fund, and (iv) any other amounts received from any other source by or on behalf of the

Authority, the Company, the County, the Series 2011 Local Units, the Trustee or the Paying Agent, whereby such amounts are directed or permitted to be applied to the payment of the principal of, Redemption Price, and interest on the Bonds, including the Series 2011 Bonds.

"**Series**" shall mean all of the Bonds, including the Series 2011 Bonds, authenticated and delivered on original issuance and identified pursuant to this Bond Resolution or any Supplemental Resolution authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 4.07 or 11.10 hereof, regardless of variations in maturity, interest rate or other provisions.

"**Sinking Fund Installments**", with respect to any Series of Bonds, shall have the meaning, if any, specified in either this Bond Resolution, including, without limitation and with respect to the Series 2011A Bonds, Section 2.03(6)(a) hereof, or the Applicable Supplemental Resolution.

"**[Company]**" shall mean that certain limited liability company organized and existing under the laws of Delaware, and authorized to do business in the State.

"**Supplemental Resolution**" shall mean the certificate or certificates of an Authorized Officer of the Authority referred to in Section 2.02(1)(d) hereof and/or any resolution or resolutions of the Authority amending, modifying or supplementing this Bond Resolution, authorizing the issuance of a Series of Additional Bonds, or any other Supplemental Resolution adopted by the Authority pursuant to the provisions of this Bond Resolution.

"**Tax Certificate**", with respect to any Series of Bonds other than the Series 2011 Bonds (there shall be no Tax Certificate with respect to the Series 2011 Bonds), means the "Tax Certificate as to Arbitrage and Instructions as to Compliance with the Provisions of Section 103(a) of the Internal Revenue Code of 1986, as amended" or similar document executed and delivered by an Authorized Officer of the Authority on the date of issuance of such Series of Bonds, as the same may be supplemented and amended from time to time, but only to the extent the interest on such Series of Bonds is excludable from the gross income of the Holders thereof for Federal income tax purposes.

"**Tax-exempt Bonds**" shall mean any Series of Additional Bonds with respect to which an opinion of Bond Counsel is delivered to the effect that interest on such Series of Bonds is excluded from gross income pursuant to Section 103 of the Code. The Series 2011 Bonds shall not be considered Tax-exempt Bonds.

"**Trustee**" shall mean the Trustee appointed pursuant to Section 10.01 of the Bond Resolution, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the provisions of the Bond Resolution.

"**Trust Estate**" shall mean all right, title and interest of the Authority in, to and under (i) the Revenues, (ii) all moneys payable by the County under the County Guaranty, but only with respect to the Series 2011 Bonds unless extended to any Series of Additional Bonds, (iii) all moneys and securities held in any Funds and Accounts established under the Bond Resolution, except for moneys or securities held in (A) the Administrative Expense Account or the Costs of Issuance Account of the Administrative Fund or (B) the County Security Fund, if any, (iv) the Company Lease Agreement, but only to the extent necessary to enforce the payment of Revenues owed by the Company thereunder, which excludes all of the Authority's obligations thereunder, the Reserved Rights, and the Authority's rights to the Renewable Energy Projects for the Series 2011 Local Units or the Capital Improvement Projects for the Series 2011 Local Units, which (non-reserved) interests shall be assigned by the Authority (A) to the County Security Provider pursuant to the terms of the County Security Agreement, but only if such County Security Agreement shall be delivered to the Authority and the Trustee upon or prior to the issuance of the Series 2011 Bonds, and/or (B) to the County pursuant to the terms of the County Guaranty Agreement, and (v) any other amounts received from any other source by or on behalf of the Authority and pledged by the Authority as security for the payment of the Bonds, including the Series 2011 Bonds, all of which as shall have been pledged by the Authority to the Trustee pursuant to Section 1.04 of the Bond Resolution as security for the payment of the principal, redemption premium, if any, and interest on the Bonds, including the Series 2011 Bonds. None of the Renewable Energy Projects for the Series 2011 Local Units, the Capital Improvement Projects for the Series 2011 Local Units, or the County Security shall be part of the Trust Estate.

SECTION 1.02. Rules of Interpretation. For all purposes of this Bond Resolution, except as otherwise expressly provided or unless the context otherwise requires:

1. "This Bond Resolution" means this instrument as originally adopted and as it may be supplemented, modified or amended from time to time by any Certificate of an Authorized Officer in accordance with Article II hereof, or in accordance with any Supplemental Resolution, unless in the case of any one or more Certificates or Supplemental Resolutions, the context requires otherwise.

2. All reference in this Bond Resolution to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Bond Resolution. The words "herein", "hereof", "hereunder" and "herewith" and other words of similar import refer to this Bond Resolution as a whole and not to any particular Article, Section or other subdivision hereof.

3. The terms defined in this Bond Resolution include the plural as well as the singular.

4. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

5. The table of contents and the headings or captions used in this Bond Resolution are for convenience of reference only and shall not define, limit or prescribe any of the provisions hereof or the scope or intent hereof.

SECTION 1.03. Authority for this Bond Resolution; Appropriation. This Bond Resolution is adopted pursuant to the provisions of the Act and constitutes a resolution authorizing bonds pursuant to the Act. Promptly after the initial adoption of this Bond Resolution, an Authorized Officer of the Authority shall cause the estoppel notice contemplated by Section 19 of the Act (N.J.S.A. 40:37A-62) to be published in an Authorized Newspaper. The adoption of this Bond Resolution by the governing body of the Authority shall provide an initial appropriation in the amount of $52,000,000, which appropriation, upon issuance of a Series of Bonds, shall automatically be reduced (without any further action of the Authority) to the aggregate principal amount of Bonds issued and Outstanding (but not in excess of such maximum appropriation amount) in the amount of $[not to exceed $52,000,000]. Accordingly, the Authority shall be, and hereby is, authorized by applicable law to contract for and spend money on the Projects, and other matters related to the Renewable Energy Program, including through the Program Documents, in an aggregate amount not to exceed such maximum appropriation.

SECTION 1.04. Bond Resolution and Bonds Constitute a Contract; Pledge of Trust Estate.

With respect to the Bonds, in consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under this Bond Resolution by those who shall hold the same from time to time: (i) this Bond Resolution and the Bonds issued hereunder shall be deemed to be and shall constitute a contract by and among the Authority, the Trustee and the Holders, from time to time, of such Bonds; (ii) the pledge made herein to the Trustee to pay its fees and expenses shall in every respect be subordinate to the pledge made herein to the Trustee for the benefit of the Holders of the Bonds, except that Bondholders shall have no interest in and shall not be secured by (A) the Administrative Fund and (B) the County Security Fund; (iii) the pledge made herein and the duties, covenants, obligations and agreements set forth herein to be observed and performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as expressly provided herein or permitted hereby; (iv) the Authority, as security for the payment of the principal and Redemption Price, if any, of and the interest on the Bonds and as security for the observance and performance of any other duty, covenant, obligation or agreement of the Authority under this Bond Resolution, all in accordance with the provisions thereof and hereof, does hereby grant a security interest in and further does grant, bargain, sell, convey, pledge, assign and confirm to the Trustee the Trust Estate; (v) notwithstanding any other provision to the contrary herein, that portion of the pledge made in clause (iv) of this Section 1.04 to secure the payment of any redemption premium payable hereunder shall not include clause (ii) of the definition of "Trust Estate"; (vi) the pledge made hereby is valid and binding from the time when the pledge is made, and the

Trust Estate shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act and regardless of whether held by the Trustee, and the lien of such 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; and (vii) the Bonds shall be special and limited obligations of the Authority payable from and secured solely by a pledge of the Trust Estate as provided hereby.

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ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.01. Authorization of Bonds; Designation of Bonds of Series.

1. This Bond Resolution authorizes Bonds of the Authority to be designated as "County of Morris Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2011", which may be issued in one or more Series. The aggregate principal amount of the Bonds that may be executed, authenticated and delivered under this Bond Resolution is not limited except as may hereafter be provided in this Bond Resolution or as may be limited by law.

2. The Bonds may, if and when authorized by the Authority pursuant hereto or pursuant to one or more Supplemental Resolutions, be issued in one or more Series, and the designation thereof, in addition to the name "County of Morris Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 20__ ", shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the Authority may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. Neither the State, the Series 2011 Local Units, the County (except to the extent of the County Guaranty) nor any political subdivision thereof, other than the Authority (but solely to the extent of the Trust Estate), is obligated to pay the principal or Redemption Price, if any, of or the interest on the Bonds, and neither the full faith and credit nor the taxing power of the State, the Series 2011 Local Units, the County (except to the extent of the County Guaranty) or any political subdivision thereof, including the Authority (which has no taxing power), is pledged to the payment of the principal or Redemption Price, if any, of or the interest on the Bonds. The County Guaranty does not secure redemption premium, if any.

SECTION 2.02. General Provisions for Issuance of Bonds.

1. All (but not less than all) of the Bonds of each Series shall be executed by the Authority for issuance under this Bond Resolution and delivered to the Trustee, and thereupon shall be authenticated by the Trustee and by it delivered to the Authority or upon its order, but only upon the receipt by the Trustee of:

(a) A copy of this Bond Resolution, certified by an Authorized Officer of the Authority.

(b) In the case of each Series of Additional Bonds, (1) a copy of the Supplemental Resolution authorizing such Series of Additional Bonds, certified by an Authorized Officer of the Authority, which shall, among other provisions, specify: (i) the authorized principal amount, designation and Series of such Additional Bonds; (ii) the purposes for which such Series of Additional Bonds are being issued, which shall be one of the purposes

set forth in Section 2.04 hereof; (iii) the dated date and the maturity date or dates of such Series of Additional Bonds; (iv) the interest rate or rates of such Series of Additional Bonds and the initial Interest Payment Date therefor, provided that the interest rate shall be identical for all such Additional Bonds of like maturity; (v) the denominations of and the manner of dating, numbering and lettering such Series of Additional Bonds, provided that such Additional Bonds shall be in denominations of $5,000 or any integral multiple thereof as authorized by such Supplemental Resolution; (vi) the Paying Agent or Paying Agents and the place or places of payment of the principal and Redemption Price, if any, of and the interest on such Series of Additional Bonds; (vii) the Redemption Price or Prices, if any, and, subject to Article IV hereof, the redemption terms for such Series of Additional Bonds; (viii) the amount and due date of each Sinking Fund Installment, if any, for such Series of Additional Bonds of like maturity; (ix) the form of such Series of Additional Bonds and the Trustee's certificate of authentication, which shall be substantially in the form set forth in Section 14.01 hereof for the Series 2011 Bonds, with such variations, insertions or omissions as are appropriate and not inconsistent therewith; and (x) the provisions for the application of the proceeds of such Series of Additional Bonds; and (2) such other items required pursuant to the provisions of Section 2.05 hereof.

(c) An opinion of Bond Counsel to the effect that (i) the Authority has the right and power under the Act, as amended to the date of such opinion, to adopt this Bond Resolution; this Bond Resolution has been duly and lawfully adopted by the Authority, is in full force and effect, and constitutes a valid and binding agreement of the Authority, enforceable against the Authority in accordance with its terms; and no other authorization for this Bond Resolution is required; (ii) this Bond Resolution creates the valid pledge that it purports to create of the Trust Estate, subject only to the provisions of this Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Bond Resolution; and (iii) the Authority is duly authorized and entitled to issue the Bonds of such Series; such Bonds have been duly and validly authorized and issued by the Authority in accordance with all applicable law, including the Act, as amended to the date of such opinion, and this Bond Resolution; and such Bonds constitute the valid and binding obligations of the Authority as provided in this Bond Resolution, enforceable against the Authority in accordance with their terms and the terms of this Bond Resolution, and are entitled to the benefits of the Act, as amended to the date of such opinion, and this Bond Resolution. Such opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion, and may state that no opinion is being rendered as to the availability of any particular remedy.

(d) A written order to the Trustee as to the delivery of such Bonds, signed by an Authorized Officer of the Authority.

(e) Notwithstanding any other provision to the contrary herein, in the case of the issuance of each Series of Series 2011 Bonds and where contemplated thereafter in accordance with the terms hereof, a Certificate of an Authorized Officer of the Authority setting forth (i) all of the items applicable to the Series 2011 Bonds that are detailed in subsection (b)

above with respect to a Series of Additional Bonds, (ii) whether the Series 2011 Bonds will be issued in one or more Series, including the Series 2011A Bonds and the Series 2011B Bonds as contemplated by Section 2.03(1)(a) hereof, and as notes or bonds, and if in note form, such specific terms required to issue, secure and repay such notes not specifically set forth in this Bond Resolution as originally adopted on March __, 2011, and at private or public sale and the final form of the Sale Documents, all within the parameters of the Local Finance Board Application, (iii) the final pricing terms, including interest rates, principal amortization and Sinking Fund Installments, payment dates and terms of redemption of the Series 2011 Bonds, provided however that the Series 2011B Bonds shall bear interest at the same rates as the Series 2011A Bonds, (iv) the entities that shall constitute the Company (as selected pursuant to the Company RFP), the County Security Provider, if any, the Trustee, and the Paying Agent, (v) the final terms of the Program Documents within the parameters of the Local Finance Board Application, the Company RFP and the Company Proposal, (vi) the receipt and contribution of the DOE Grant, to the extent funds shall have been received prior to the issuance of the Series 2011A Bonds, and if not, provision for the receipt and application thereof, and (vii) subject to the parameters set forth in the definition of Series 2011 Bonds and the terms set forth in the Local Finance Board Application, and upon the advice of the Authority's Counsel and professional advisors, the addition to, deletion from or modification of any provision of this Bond Resolution as originally adopted on March __, 2011, the contents of which Certificate may be incorporated in this Bond Resolution without compliance with any other provision herein, including, without limitation, Article XI hereof. The Authorized Officer executing any such Certificate shall report the substance of such Certificate to the Board at the Board's next public meeting.

(f) Such further documents, moneys and securities as are required by the provisions of Section 2.03 or 2.04 or Article XI hereof or by any Supplemental Resolution adopted pursuant to Article XI hereof.

2. All the Bonds of each such Series of like maturity shall be identical in all respects, except as to denominations, numbers and letters. After the original issuance of Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Section 4.07 or 11.10 hereof.

SECTION 2.03. Series 2011 Bonds.

1. One or more Series of Bonds entitled to the benefit, protection and security of this Bond Resolution is hereby authorized in the aggregate principal amount of not to exceed $52,000,000 for the purpose of acquiring, constructing, renovating, installing, operating and maintaining the Projects as set forth in and in accordance with the terms of the Company Lease Agreement and the Local Unit License Agreements for the Series 2011 Local Units. Such Series of Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "County of Morris Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2011".

(a) To the extent contemplated by the Certificates of an Authorized Officer of the Authority executed pursuant to Section 2.02(1)(e) hereof, the Series 2011 Bonds may be issued in two (2) or more Series, (i) a Series further designated as "Series 2011A Bonds" in an aggregate principal amount of $_____, (ii) a Series further designated as "Series 2011B Bonds" in an aggregate principal amount of $_____ and (iii) any other one (1) or more Series further designated and issued for one of the purposes set forth in Section 2.04(1) hereof, as shall be set forth in any such Certificate of an Authorized Officer, but only to the extent the Outstanding aggregate principal amount of Series 2011A Bonds, Series 2011B Bonds and any such other Outstanding Series of Series 2011 Bonds shall not exceed $52,000,000.

(b) The Series 2011 Bonds shall be sold in accordance with the provisions of Section 6.04 hereof and all applicable law.

(c) Provided that the Company is not in default, or that the Company has not taken any action or refrained to take action, in either case that would cause an Event of Default to occur with the passage of time, under and as defined in any of the Company Documents, the Authority covenants to issue the Series 2011B Bonds no later than January 31, 2012 in an aggregate principal amount of $_____, unless a Certificate of an Authorized Officer of the Company delivered to the Authority prior to the issuance thereof shall request a lower principal amount.

2. The Series 2011 Bonds shall be dated, and shall bear interest from, their date of issuance, on the basis of a 360-day year consisting of twelve 30-day months, and shall otherwise be payable as provided in Section 3.01 hereof.

(a) In addition to the $_____ par amount of Series 2011B Bonds maturing on _____, the balance of the Series 2011 Bonds in the aggregate principal amount of $_____ (resulting in an aggregate par amount of the Series 2011 Bonds in the amount of $_____) shall mature on the dates and in the principal amounts (including Sinking Fund Installments), and shall bear interest payable semiannually on May 1 and November 1 in each year, commencing as set forth below for each respective Series, at the respective rates per annum, shown below:

May 1	Amount Maturing	Interest Rate and Yield	May 1	Amount Maturing and/or Sinking Fund Installment	Interest Rate and Yield
2013			2021		
2014			2022		
2015			2023		
2016			2024		
2017			2025		
2018			2026		
2019			2027		
2020					
Total					

(b) The Series 2011A Bonds shall mature on the dates and in the principal amounts, and shall bear interest payable semiannually on May 1 and November 1 in each year, commencing May 1, 2013, at the respective rates per annum, shown below:

May 1	Amount Maturing	Interest Rate and Yield	May 1	Amount Maturing	Interest Rate and Yield
2013			2021		
2014			2022		
2015			2023		
2016			2024		
2017			2025		
2018			2026		
2019			2027		
2020					
Total					

(c) [The $_____ par amount of Series 2011B Bonds shall mature on _____.] [In addition to the $_____ par amount of Series 2011B Bonds maturing on December 1, 2012, the balance of the Series 2011B Bonds in the aggregate principal amount of $_____ (resulting in an aggregate par amount of the Series 2011B Bonds in the amount of $_____) shall mature on the dates and in the principal amounts, and shall bear interest payable semiannually on May 1 and November 1 in each year, commencing May 1, 2013, at the respective rates per annum, shown below:

May 1	Amount Maturing	Interest Rate and Yield	May 1	Amount Maturing	Interest Rate and Yield
2013			2021		
2014			2022		
2015			2023		
2016			2024		
2017			2025		
2018			2026		
2019			2027		
2020					
Total					

]

(d) In addition to the interest set forth in (c) above, Holders of the Series 2011B Bonds shall be paid an additional interest payment on _____, in the amount of $_____, which amount shall be equal to interest payable on the $_____, based on an interest cost equal to the interest rate of the Series 2011A Bonds maturing May 1, 2013 of ____%, from the date the such amount is raised upon issuance of the Series 2011B Bonds, until payment thereon scheduled for _____. The $_____ represents the amount of funds to be raised from a portion of the proceeds of the Series 2011B Bonds, which in accordance with Section 2.03(7)(b) below, shall be applied to the payment of interest on the Series 2011A Bonds on each of May 1, 2012 in the amount of $_____, and on November 1, 2012 in the amount of $_____, plus a rounding amount of $_____ that shall be applied to pay a portion of the Administrative Expenses in accordance with Section 2.03(7)(a)(ii) below.

3. The Series 2011 Bonds shall be issued in denominations of $5,000 or any integral multiple thereof. Unless the Authority shall otherwise direct, the Series 2011 Bonds shall be lettered and numbered from one upward in order of their maturity preceded by the letter "R" and such other letter as determined by the Trustee prefixed to the number. Subject to the provisions of this Bond Resolution, the form of the Series 2011 Bonds and the Trustee's certificate of authentication shall be substantially in the form set forth in Section 14.01 hereof.

(a) To the extent contemplated by the Certificate of an Authorized Officer of the Authority executed pursuant to Section 2.02(1)(e) hereof, the Series 2011A Bonds shall be lettered and numbered from one upward in order of their maturity preceded by the letters "R-A" and such other letter as determined by the Trustee prefixed to the number.

(a) To the extent contemplated by the Certificate of an Authorized Officer of the Authority executed pursuant to Section 2.02(1)(e) hereof, the Series 2011B Bonds shall be

lettered and numbered from one upward in order of their maturity preceded by the letters "R-B" and such other letter as determined by the Trustee prefixed to the number.

4. The principal and Redemption Price, if any, of the Series 2011 Bonds shall be payable at the Principal Office of [Name of Trustee], as Paying Agent. The principal and Redemption Price, if any, of all Series 2011 Bonds shall also be payable at any other place that may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by this Bond Resolution. Interest on the Series 2011 Bonds shall be payable by check or draft of the Paying Agent mailed or transmitted to the Holders thereof as the same appear as of the Record Date on the books of the Authority maintained by the Trustee. However, so long as the Series 2011 Bonds are held in book-entry form pursuant to Section 2.06 hereof, the provisions of said Section 2.06 shall govern payment of the principal and Redemption Price, if any, of and the interest on the Series 2011 Bonds.

5. (a) The Series 2011 Bonds maturing on or before May 1, 20__ shall not be subject to redemption prior to their respective maturity dates. The Series 2011 Bonds maturing on and after May 1, 20__ shall be subject to redemption prior to their respective maturity dates, on or after May 1, 20__ at the option of the Authority, upon notice as herein described, either in whole at any time, or in part on any Interest Payment Date in such order of maturity as the Authority shall determine and within a single maturity by lot, at a redemption price equal to one hundred percent (100%) of the principal amount to be redeemed (the "*Redemption Price*"), plus interest accrued to the date of redemption.

(b) Pursuant to the terms of the County Guaranty Agreement, under certain circumstances, the County may direct the Authority to utilize this otherwise discretionary optional redemption feature set forth above. To the extent the Company causes an Event of Default, as defined under the Company Lease Agreement, to occur and such Event of Default requires the County to make a payment of the principal of and interest on the Series 2011A Bonds under the County Guaranty, so long as the County is not in default under the County Guaranty Agreement, the County has the right to cause the Authority to refund all or a portion of the Series 2011A Bonds. To the extent the County were to exercise this right prior to the first optional call date of May 1, 20__, the County would be required to cause the Authority to defease the Series 2011A Bonds in accordance with Article XII of the Bond Resolution, in which case the Series 2011A Bonds would not be called for redemption until such first optional call date of May 1, 20__. Any such redemption shall be made on the earliest practicable date at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

(c) The Series 2011A Bonds shall not be subject to extraordinary optional redemption prior to their stated maturities. The Series 2011B Bonds shall be subject to extraordinary optional redemption in whole prior to their respective maturity dates at an aggregate Redemption Price equal to one dollar ($1.00), if and only if (i) the County is the Holder of one hundred percent (100%) of the Outstanding principal amount of the Series 2011B Bonds, and (ii) the County so directs the Authority to call all of such Series 2011B Bonds for

redemption on a redemption date and at such Redemption Price, all as authorized by, and pursuant to the terms of, Section 5(a) of the County Guaranty Agreement. Such redemption of the Series 2011B Bonds shall have no effect on the Series 2011A Bonds.

6. (a) (i) The Series 2011A Bonds maturing May 1, 20__ are subject to mandatory redemption prior to their stated maturities, through selection by the Trustee and upon the giving of notice as provided by the Bond Resolution, by payment of the following "Sinking Fund Installments" on May 1 of each year set forth in the table below, at a Redemption Price equal to one hundred percent (100%) of the principal amount to be redeemed, plus interest accrued to the date of redemption.

$_____ ____% Term Bond Due May 1, 20__ , Yield ____%

Year	Sinking Fund Installment

_____
* Final Maturity

(ii) The Series 2011A Bonds maturing May 1, 20__ are subject to mandatory redemption prior to their stated maturities, through selection by the Trustee and upon the giving of notice as provided by the Bond Resolution, by payment of the following "Sinking Fund Installments" on May 1 of each year set forth in the table below, at a Redemption Price equal to one hundred percent (100%) of the principal amount to be redeemed, plus interest accrued to the date of redemption.

$_____ ____% Term Bond Due May 1, 20__ , Yield ____%

Year	Sinking Fund Installment

_____
* Final Maturity

(b) As the Series 2011B Bonds shall be privately placed, upon initial issuance, with the County, as 100% Bondholder, the Series 2011B Bonds shall not be subject to mandatory sinking fund redemption prior to their stated maturities.

7. $_____, consisting of the $_____ par amount of the Series 2011A Bonds, less an Underwriter's discount for the Series 2011A Bonds in the amount of $_____, (resulting in net proceeds from the Series 2011A Bonds in the amount of $_____), plus the $_____ par amount of the Series 2011B Bonds, the issuance of which Series 2011B Bonds shall be accompanied by a Certificate an Authorized Officer of the Authority as required by Section 2.02(1)(e) hereof and received by the Trustee no later than _____, all of which Series 2011 Bond proceeds shall be applied with the delivery of such Series 2011 Bonds as follows:

(a) There shall be deposited in the Administrative Fund the amount of $_____, $_____ of which shall be sourced from the Series 2011A Bonds and $_____ of which shall be sourced from the Series 2011B Bonds, (i) $_____ of which (all from the Series 2011A Bonds) shall be deposited in the Costs of Issuance Account in the Administrative Fund for application to the payment of certain Costs of Issuance incurred in connection with the issuance of the Series 2011 Bonds, including, without limitation, the Authority's initial Administrative Fee of $100,000.00 and fees for the Trustee (waived) and counsel, and (ii) $_____ of which ($_____ of which shall be sourced from the Series 2011A Bonds, and $_____ of which shall be sourced from the Series 2011B Bonds) shall be deposited in the Administrative Expense Account in the Administrative Fund, (A) $20,000.00 of which (all from the Series 2011A Bonds) shall be applied to the payment of the Authority's initial annual Administrative Fee, and (B) the balance of which in the amount of $_____ ($_____ of which shall be sourced from the Series 2011A Bonds and $_____ of which shall be sourced from the Series 2011B Bonds) shall be applied to the payment of, or reimbursement for, the balance of the Preliminary Program Costs and Administrative Expenses, including without limitation fees for a Construction Manager, if any, upon the Trustee's receipt of a proper invoice or evidence of payment therefore; provided that a Certificate of an Authorized Officer of the Authority delivered to the Trustee may adjust and/or add to the payment categories within the Administrative Fund set forth above.

(b) Upon the issuance of the Series 2011B Bonds, $_____ (all from the Series 2011B Bonds) shall be deposited in the Capitalized Interest Account of the Debt Service Fund, which amount, together with interest earned thereon, if any, shall be sufficient to pay the interest on the Series 2011A Bonds on May 1, 2012 and November 1, 2012.

[(c) There shall be [$_____/no] Series 2011 Bond proceeds deposited in the County Security Fund.][Upon issuance of the Series 2011 Bonds, the County Security Fund Requirement is $_____,][and accordingly, the Company shall not be required to provide County Security for deposit by the Trustee in the County Security Fund.][To be revised based upon successful Company RFP.]

(d) There shall be no Series 2011 Bond proceeds deposited in the General Fund.

(e) The remaining balance of the proceeds of the Series 2011 Bonds in the amount of $_____ ($_____ of which shall be sourced from the Series 2011A Bonds, and $_____ of which shall be sourced from the Series 2011B Bonds), shall be deposited in the Project Fund, (i) $_____ of which ($_____ from the Series 2011A Bonds and $_____ from the Series 2011B Bonds) shall be applied to the payment of the Renewable Energy Projects for the Series 2011 Local Units, (ii) _____ of which shall be applied to the payment of the Capital Improvement Projects for the Series 2011 Local Units and (iii) $_____ of which (all from the Series 2011A Bonds) shall be applied to the payment of the Company Development Fees and Expenses, all in accordance with Section 5.02(2) hereof; provided that a Certificate of an Authorized Officer of the Company, as consented to by an Authorized Officer of the Authority, delivered to the Trustee may adjust the payment categories within the Project Fund set forth above.

8. Upon the authentication and delivery of the Series 2011 Bonds, the Authority shall furnish to the Trustee:

(a) An opinion of Bond Counsel to the effect that, under existing law, interest on the Series 2011 Bonds and any gain on the sale thereof are excluded from gross income for purposes of the New Jersey Gross Income Tax Act.

(b) Opinions of Counsel to the effect that each of the Authority and the Company has the right and power under the Act, as amended to the date of such opinion, and any other applicable law to enter into the Company Lease Agreement; the Company Lease Agreement has been duly and lawfully authorized and executed by the Authority and the Company, is in full force and effect, and is valid and binding upon the Authority and the Company, enforceable against the Authority and the Company in accordance with its terms; and no other authorization for the Company Lease Agreement is required. Opinions of Counsel to the effect that each of the Authority and the County has the right and power under the Act, as amended to the date of such opinion, and any other applicable law to enter into the County Guaranty Agreement; the County Guaranty Agreement has been duly and lawfully authorized and executed by the Authority and the County, is in full force and effect, and is valid and binding upon the Authority and the County, enforceable against the Authority and the County in accordance with its terms; and no other authorization for the County Guaranty Agreement is required. Such opinions may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion, and may state that no opinion is being rendered as to the availability of any particular remedy, but that such limitations do not make the rights and remedies of the Bondholders, taken as a whole, inadequate for the practical realization of the benefits of the Company Lease Agreement and the County Guaranty Agreement.

SECTION 2.04. Purposes, Authorization and Description of Additional Bonds.

1. After the execution, authentication and delivery of the Series 2011 Bonds, Additional Bonds of the Authority may be authorized to be issued pursuant to and in accordance with the terms of the Act either (a) reserved, (b) to refund any Bonds (including Additional Bonds) of the Authority, (c) to raise funds to pay the cost of the acquisition, construction, renovation or installation of part or parts of a Completion Project, including any deposit or increase into any Fund or Account that has been established by the terms of this Bond Resolution and that is incidental thereto or is deemed by the Authority to be necessary in connection therewith.

2. Any Series of Additional Bonds of the Authority shall be issued only after the authorization thereof by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Series of Additional Bonds. Such Supplemental Resolution shall state the purpose or purposes for which such Additional Bonds are being issued and shall direct the application of the proceeds that are to be derived from the sale of such Additional Bonds to such purpose or purposes and the execution and authentication thereof. Such Supplemental Resolution shall fix and determine the date, principal amounts, denominations, designation and numbers thereof, the rate or rates of interest or maximum rate of interest to be borne thereby, the place or places of payment therefor, the redemption privileges of the Authority, if any, with respect thereto, the amount and date of each Sinking Fund Installment, if any, for the retirement of any Bonds and any other provisions thereof, all in accordance with the terms of this Bond Resolution. Upon such authorization, such Additional Bonds may, upon initial issuance, at one time or from time to time, be executed by or on behalf of the Authority and delivered to the Trustee for authentication by the Trustee as provided in this Bond Resolution, and thereafter such Additional Bonds shall be authenticated by the Trustee upon original issuance and, upon fulfillment of the applicable conditions set forth in Section 2.05 hereof, shall be delivered by the Trustee to the Authority or upon its order.

3. All Additional Bonds shall be substantially in the form and tenor of Bonds as provided in Section 14.01 hereof, except that, notwithstanding any other provision contained in this Bond Resolution to the contrary, such Bonds shall be issued in such principal amounts, shall be of such denominations, shall bear such dated date and such maturity dates, shall bear such designation as to Series, numbers or symbols prefixed to their numbers distinguishing them from each other Bond, shall be subject to redemption prior to their maturity on such terms and conditions that are consistent with the provisions of this Bond Resolution, shall bear interest at such rate or such different or varying rates of interest per annum, and shall be payable at such time or times as may be fixed by the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds or by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Additional Bonds, as the case may be.

4. All Additional Bonds that are authorized by any Supplemental Resolution of the Authority shall constitute Bonds of a single Series. No bonds, notes or other obligations of the Authority shall constitute Additional Bonds unless they are authenticated by the Trustee as provided in this Bond Resolution, nor shall such Additional Bonds be entitled to any right or benefit under the terms of this Bond Resolution unless they are so authenticated, and no

Additional Bond shall be valid and obligatory for any purpose of this Bond Resolution unless said Additional Bond shall have been so authenticated.

5. After their authentication and delivery by the Trustee upon original issuance, all Additional Bonds shall for all purposes hereof be deemed to constitute Bonds, shall be entitled to the pledge of the Trust Estate provided by this Bond Resolution, and shall have equal rank with the Outstanding Series 2011 Bonds and any Outstanding Additional Bonds previously authenticated and delivered, and such Additional Bonds shall be entitled to the security and benefit of such pledge and of the provisions of this Bond Resolution.

6. If Additional Bonds are issued that pay interest on dates different from the Interest Payment Dates of Bonds then Outstanding, there shall be no requirement that, on an Interest Payment Date of any Bond, the Trustee establish reserves for the benefit of the Holder of any other Bond on which interest is not then being paid unless provided herein or under the terms of any Supplemental Resolution.

SECTION 2.05. Conditions Precedent to Issuance of Additional Bonds.

1. The Trustee shall not authenticate or deliver upon original issuance any Additional Bonds to the Authority or upon its order, unless theretofore or simultaneously therewith there shall have been delivered or paid to the Trustee, among other things, the following:

(a) Copies of this Bond Resolution and the Supplemental Resolution of the Authority, certified by an Authorized Officer of the Authority and only to the extent adversely affecting the rights, duties and obligations of the Company, then additionally consented to in writing by an Authorized Officer of the Company, authorizing the issuance of such Additional Bonds, stating the purpose or purposes for the issuance of such Additional Bonds and otherwise conforming with the provisions of Section 2.04 hereof; and if such Additional Bonds are authorized for any purpose other than the refunding of Bonds, such Supplemental Resolution shall describe in brief and general terms the Completion Project to be financed by the issuance of such Additional Bonds.

(b) A copy of any Supplemental Resolution that has been duly adopted by the Authority, if required, certified by an Authorized Officer of the Authority, fixing the rate or rates of interest on such Additional Bonds and all other terms and provisions thereof that are not fixed by the terms of the Supplemental Resolution referred to in subparagraph (a) above or in this Bond Resolution.

(c) Reserved.

(d) If such Additional Bonds are authorized for the purpose described in clause (b) or (c) of paragraph (1) of Section 2.04 hereof, (i) a certificate of an Authorized Officer of each of the Authority and the Company to the effect that the Company Lease Agreement has

been amended to cover the issuance of the Additional Bonds, but only to the extent Basic Lease Payments, and with respect to the Purchase Option Price or Mandatory Purchase Price, Additional Lease Payments, shall be adjusted to provide a source of payment of the principal of, redemption premium, if any, and interest on Outstanding Bonds, (ii) a copy of such amended Company Lease Agreement, and (iii) a Certificate of an Authorized Officer of the Company, dated the date of issuance of such Additional Bonds, to the effect that all of the representations, warranties and covenants of the Company contained in the Company Lease Agreement are, as of such date, true, accurate and complete. If no such amendment to the Company Lease Agreement is required, a Counsel's opinion stating same shall be delivered to the Trustee.

(e) The written order of the Authority as to the delivery of such Additional Bonds signed by an Authorized Officer and stating the amount of the proceeds derived from the sale of such Additional Bonds.

(f) The amount, if any, stated in said written order as the amount of such proceeds that will be paid by the Authority to the Trustee for deposit in the Debt Service Fund, which amount shall be held by the Trustee in the Debt Service Fund.

(g) The amounts, if any, stated in said written order as the amounts of such proceeds that will be paid by the Authority to the Trustee for deposit in the Project Fund or in the Costs of Issuance Account or Administrative Expense Account in the Administrative Fund, as the case may be, which amounts shall be held by the Trustee in the Project Fund or in the Costs of Issuance Account or Administrative Expense Account in the Administrative Fund, as the case may be.

(h) Reserved.

(i) If such Additional Bonds are authorized for the purpose described in clause (b) of paragraph (1) of Section 2.04 hereof, the amount of such proceeds that will remain after deducting the amounts, if any, to be paid to the Trustee in accordance with the terms of subparagraphs (f) and (g) above.

(j) If such Additional Bonds are authorized for the purpose described in clause (c) of paragraph (1) of Section 2.04 hereof, a Certificate of the Architect or a Certificate of an Authorized Officer of each of the Authority and the Local Unit stating (i) the opinion that the improvement described in such Supplemental Resolution constitutes a Completion Project, (ii) that the improvement for which Additional Bonds are to be issued is part of a Project for which Bonds had theretofore been issued, (iii) the amount of proceeds to be deposited in the Project Fund, if any, and (iv) that such proceeds, together with any other funds of the Authority or otherwise that are then available or are expected to be available therefor, will be sufficient, in his opinion, to pay the Costs of the completion of the acquisition, construction, renovation or installation of said improvement.

(k) An opinion of Bond Counsel approving the form of the Supplemental Resolution authorizing the issuance of the Additional Bonds and stating that (i) its terms and provisions conform to the requirements of the Act and this Bond Resolution, (ii) the order, certificates and amounts of money to be delivered or paid to the Trustee in accordance with the provisions of this Section 2.05 constitute compliance with the conditions hereinabove stated for the authentication and delivery of such Additional Bonds, (iii) all of the conditions precedent to the authentication and delivery of the Additional Bonds have been satisfied, and (iv) the Trustee may lawfully authenticate the Additional Bonds upon their original issuance.

(i) If the Additional Bonds are insured, a copy of any municipal bond insurance policy issued with respect to such Additional Bonds.

(m) Any additional documents that are required to be executed and delivered pursuant to the terms of any contract executed by or on behalf of the Authority in connection with the sale of Additional Bonds, unless the execution and delivery of such additional documents have been waived by the purchaser of such Additional Bonds.

(n) Such other documents as may be required by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Additional Bonds, or as may be required by a Certificate of an Authorized Officer of the Authority executed in connection with the sale of such Additional Bonds.

2. If such Additional Bonds are authorized for the purpose described in clause (c) of paragraph (1) of Section 2.04 hereof, the Trustee shall deposit in the Project Fund the proceeds derived from the sale of such Additional Bonds issued for the Completion Project. The moneys so deposited shall be applied by the Authority and the Trustee to pay the Costs of the improvements described in the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds.

3. If such Additional Bonds are authorized for the purpose described in clause (b) of paragraph (1) of Section 2.04 hereof, the Trustee shall deposit, at the direction of the Authority, (i) in the Costs of Issuance Account in the Administrative Fund an amount sufficient to pay the Costs of Issuance of such Additional Bonds, (ii) such other amounts not to be used for the refunding of such Bonds, if any, in such Funds and Accounts in accordance with the terms of the Supplemental Resolution, and (iii) the remaining proceeds derived from the sale of such Additional Bonds to the refunding of such Bonds in accordance with the terms of the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds.

SECTION 2.06. Book-Entry System.

1. Except as provided in subparagraph (3) of this Section 2.06, the Registered Owner of all of the Series 2011 Bonds shall be, and the Series 2011 Bonds shall be registered in the name of, Cede & Co., as nominee for DTC. Payment of interest on any Series 2011 Bond shall be made by wire transfer to the account of Cede & Co. on the Interest Payment Dates for the Series 2011 Bonds at the address indicated for Cede & Co. in the registry books of the Authority kept by the Trustee.

2. The Series 2011 Bonds shall be issued initially in the form of a separate, single, fully-registered Bond in the amount of each stated maturity of the Series 2011 Bonds. Upon initial issuance, the ownership of each such Series 2011 Bond shall be registered in the registry books of the Authority kept by the Trustee in the name of Cede & Co., as nominee for DTC. With respect to Series 2011 Bonds registered in the registry books of the Authority kept by the Trustee in the name of Cede & Co., as nominee for DTC, the Authority and any Fiduciary shall have no responsibility or obligation to any participant or to any beneficial owner of such Series 2011 Bonds. Without limiting the immediately preceding sentence, the Authority and any Fiduciary shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any participant with respect to any beneficial ownership interest in the Series 2011 Bonds, (ii) the delivery to any participant, any beneficial owner or any other person, other than DTC, of any notice with respect to the Series 2011 Bonds, including any notice of redemption, or (iii) the payment to any participant, any beneficial owner or any other person, other than DTC, of any amount with respect to the principal or Redemption Price, if any, of or the interest on the Series 2011 Bonds. The Authority and any Fiduciary may treat DTC as, and deem DTC to be, the absolute Owner of each Series 2011 Bond for the purpose of payment of the principal or Redemption Price, if any, of and the interest on each such Series 2011 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2011 Bonds, for the purpose of registering transfers with respect to such Series 2011 Bonds and for all other purposes whatsoever. The Paying Agent shall pay all principal or Redemption Price, if any, of and all interest on the Series 2011 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to satisfy and discharge fully the Authority's obligations with respect to the principal or Redemption Price, if any, of and the interest on the Series 2011 Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive a Series 2011 Bond evidencing the obligation of the Authority to make payments of principal or Redemption Price, if any, of and interest on the Series 2011 Bonds pursuant to this Bond Resolution. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions hereof, the term "Cede & Co." in this Bond Resolution shall refer to such new nominee of DTC.

3. (a) DTC may determine to discontinue providing its services with respect to the Series 2011 Bonds 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 Series 2011 Bonds if the Authority so determines, and shall terminate the services of DTC with respect to the Series 2011 Bonds upon receipt by the Authority and the Fiduciaries of written notice from DTC to the effect that DTC has received written notice from 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 Series 2011 Bonds and further to the effect that: (i) DTC is unable to discharge its responsibilities with respect to the Series 2011 Bonds; or (ii) a continuation of the requirement that all of the Outstanding Series 2011 Bonds be registered in the registration books of the Authority kept by the Trustee in the name of Cede & Co., as nominee for DTC, is not in the best interests of the beneficial owners of the Series 2011 Bonds.

(c) Upon the termination of the services of DTC with respect to the Series 2011 Bonds pursuant to subsection 2.06(3)(b)(ii) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 2011 Bonds pursuant to subsection 2.06(3)(a) or subsection 2.06(3)(b)(i) hereof, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found that, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, the Series 2011 Bonds shall no longer be restricted to being registered in the registration books of the Authority kept by the Trustee in the name of Cede & Co., as nominee for DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Series 2011 Bonds shall so designate, all in accordance with the provisions of Article II hereof.

4. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any Series 2011 Bond is registered in the name of Cede & Co., as nominee for DTC, all payments with respect to the principal or Redemption Price, if any, of and the interest on such Series 2011 Bond and all notices with respect thereto shall be made and given, respectively, to DTC as provided in the representation letter of the Authority addressed to DTC with respect to the Series 2011 Bonds.

5. In connection with any notice or other communication to be provided to Bondholders by the Authority or the Trustee pursuant to this Bond Resolution with respect to any consent or other action to be taken by Bondholders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and shall give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date, to the extent possible.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 3.01. Medium of Payment; Form and Date; Letters and Numbers.

1. The Bonds shall be payable, with respect to principal, Redemption Price, if any, 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.

2. The Bonds of each Series shall be issued only in the form of fully registered Bonds without coupons in denominations of $5,000 or any integral multiple thereof. The Bonds of each Series shall be in substantially the form set forth in Section 14.01 hereof or substantially in the form set forth in a Supplemental Resolution authorizing such Series.

3. Each Bond shall be lettered and numbered as provided in this Bond Resolution or in a Supplemental Resolution providing for the issuance of the Series of which such Bond is a part and so as to be distinguished from every other Bond.

Bonds of each Series issued on the date of original issuance shall be dated and bear interest from the date set forth in this Bond Resolution or in a Supplemental Resolution authorizing such Series of Bonds. Bonds of each Series issued after the date of original issuance shall be dated as of the date of authentication thereof by the Trustee. Interest on each Bond shall be payable from the most recent Interest Payment Date next preceding the date of such Bond to which interest has been paid, unless the date of such Bond is an Interest Payment Date to which interest has been paid, in which case interest shall be payable from such date, or unless the date of such Bond is prior to the first Interest Payment Date on the Bonds, in which case interest shall be payable from the earliest date on which interest shall have accrued on such Series of Bonds, or unless the date of such Bond is between the Record Date and the next succeeding Interest Payment Date, in which case interest shall be payable from such Interest Payment Date.

4. The principal and Redemption Price, if any, of and the interest on each Series of Bonds shall be payable as provided in this Bond Resolution or in a Supplemental Resolution relating to such Series of Bonds.

SECTION 3.02. Legends.

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

SECTION 3.03. Execution and Authentication.

1. The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of the Chairman or other Authorized Officer of the Authority, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary, Assistant Secretary or other Authorized Officer of the Authority, or in such other manner as may be required or permitted by law. In case any one or more of the Authorized Officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed and sealed on behalf of the Authority by such persons who, at the time of the execution of such Bonds, shall be duly authorized or shall hold the proper office in the Authority, although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

2. The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in this Bond Resolution or in a Supplemental Resolution authorizing such Series of Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Bond Resolution, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Bond Resolution and that the Holder thereof is entitled to the benefits of this Bond Resolution.

SECTION 3.04. Transfer and Registry.

1. Each Bond shall be transferable only upon the books of the Authority, which shall be kept for that purpose at the Principal Office of the Trustee, by the Holder thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Holder or his duly authorized attorney. Upon the transfer of any such Bond, the Authority shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, Series and maturity as the surrendered Bond.

2. The Authority and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Authority as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and the interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be

valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary.

SECTION 3.05. Regulations With Respect to Exchanges and Transfers.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Authority shall execute, and the Trustee shall authenticate and deliver, Bonds in accordance with the provisions of this Bond Resolution. All Bonds surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge sufficient to reimburse it for any administrative costs associated with any exchange or transfer and for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the Authority nor the Trustee shall be required (a) to transfer or exchange Bonds for a period beginning on the Record Date next preceding an Interest Payment Date for the Bonds and ending on such Interest Payment Date, or for a period of fifteen (15) days (or such lesser period as may be specified in a Supplemental Resolution for a particular Series of Bonds) next preceding the date of any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption, or (b) to transfer or exchange any Bonds called or tendered for redemption.

SECTION 3.06. Bonds Mutilated, Destroyed, Stolen or Lost.

In case any Bond shall become mutilated or be destroyed, stolen or lost, the Authority shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like Series, maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost (i) in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or (ii) in lieu of and in substitution for the Bond so destroyed, stolen or lost upon filing with the Trustee evidence satisfactory to the Authority that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Authority may prescribe and paying such expenses as the Authority and the Trustee may incur. All mutilated Bonds so surrendered to the Trustee shall be canceled by it. Any such new Bonds issued pursuant to this Section 3.06 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and such Bonds shall be equally secured by, and entitled to equal and proportionate benefits with all other Bonds issued under this Bond Resolution in, any moneys or securities held by the Authority or any Fiduciary for the benefit of the Bondholders.

SECTION 3.07. Temporary Bonds.

1. Until the definitive Bonds of any Series are prepared in the form required by the Authority, the Authority may execute, in the same manner as is provided in Section 3.03 hereof,

and the Trustee shall authenticate and deliver, in lieu of definitive Bonds but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Authority, at its own expense, shall prepare and execute, and upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Holder thereof (but at the expense of the Authority), deliver in exchange therefor, definitive Bonds of the same aggregate principal amount, Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Bond Resolution.

2. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

SECTION 3.08. Cancellation and Destruction of Bonds.

All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Trustee, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Trustee, which shall execute a certificate of destruction in duplicate by the signature of one of its Authorized Officers describing the Bonds so destroyed, and one executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Trustee.

SECTION 3.09. Parties Interested Herein.

Nothing in this Bond Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Authority, the Trustee, the Paying Agent and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this Bond Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Bond Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee, the Paying Agent and the Registered Owners of the Bonds. Accordingly, nothing in this Bond Resolution expressed or implied is intended or shall be construed to confer upon, or to give to any other Renewable Energy Program Interested Party any right, remedy or claim under or by reason of this Bond Resolution or any covenant, condition or stipulation hereof.

ARTICLE IV

REDEMPTION OF BONDS PRIOR TO MATURITY

SECTION 4.01. Privilege of Redemption and Redemption Price.

Bonds subject to redemption prior to maturity pursuant to this Bond 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 Bond Resolution, the Certificate of an Authorized Officer of the Authority referred to in Section 2.02(1)(e) hereof or any Supplemental Resolution authorizing such Series of Bonds.

SECTION 4.02. Optional Redemption.

1. The Series 2011 Bonds shall be subject to optional redemption in accordance with the provisions of this Bond Resolution, including, without limitation, Section 2.03(5) hereof, and any other Series of Bonds may be subject to optional redemption in accordance with the terms of a Supplemental Resolution and this Article IV.

2. In the case of any redemption of Bonds at the election 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 Bonds 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 Bond Resolution).

3. (a) In the case of any redemption of Bonds at the election of the Authority at the direction of the Company pursuant to the terms of the Company Lease Agreement (including without limitation the payment by the Company of the Purchase Option Price as an Additional Lease Payment thereunder), the Company shall give written notice to the Authority of its direction to so redeem, of the redemption date and of the principal amounts of the Bonds of each maturity to be redeemed (which maturities and principal amounts thereof to be redeemed shall be determined by the Company in its sole discretion, subject to any limitations with respect thereto contained in this Bond Resolution).

(b) In the case of any redemption of Series 2011B Bonds or any Additional Bonds at the election of the Authority at the direction of the County pursuant to the terms of the County Guaranty, the County shall give written notice to the Authority, with a copy to the Trustee, of the County's direction to so redeem, of the redemption date and of the principal amounts of such Bonds of each maturity to be redeemed (which maturities and principal amounts thereof to be redeemed shall be determined by the County in its sole discretion, subject to any limitations with respect thereto contained in this Bond Resolution and the County Guaranty Agreement).

4. Such notice required under subsection (2) or (3)(a) of this Section 4.02 shall be given at least forty-five (45) days prior to the redemption date or such shorter period as shall be agreed to in writing by the Trustee or the Authority, as the case may be. In the event notice of redemption shall have been given as provided in Section 4.05 hereof, the Authority shall pay or require the Company to pay (in accordance with the terms of the Company Lease Agreement) to the Trustee on or prior to the redemption date an amount in cash that, in addition to other moneys, if any, available therefor held by the Trustee, 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 Bonds to be redeemed.

SECTION 4.03. Redemption by Trustee.

Whenever, by the terms of this Bond Resolution, the Trustee is required to redeem Bonds otherwise than at the election or direction of the Authority or the Company or the County, the Trustee shall select the Bonds to be redeemed, give the notice of redemption as provided in Section 4.05 hereof and pay the Redemption Price thereof out of moneys available therefor, 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 hereof.

SECTION 4.04. Selection of Bonds to be Redeemed.

1. If less than all of the Bonds of like maturity shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that the portion of any Bond of a denomination of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or any integral multiple thereof, and that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum denomination in which Bonds of such Series are authorized to be Outstanding after the redemption date.

2. If less than all of the Outstanding Bonds that are stated to mature on different dates are called for redemption at one time on any given redemption date occasioned by the payment of the Purchase Option Price by the Company in accordance with the terms of the Company Lease Agreement, an Authorized Officer of the Company shall designate, by maturity, those Bonds that are to be redeemed on any such redemption date by delivering to the Trustee not earlier than sixty (60) days and not later than forty-five (45) days prior to any such redemption date a Certificate detailing such maturities and the amounts to be redeemed within each such maturity. If the Trustee has not received the Company's Certificate by such forty-fifth (45th) day, or if the redemption is occurring other than by payment of the Purchase Option Price by the Company in accordance with the terms of the Company Lease Agreement, the Trustee shall select the Bonds to be redeemed in the same manner as those Bonds selected in accordance with Section 4.04(1) hereof.

SECTION 4.05. Notice of Redemption.

When Bonds of a Series (other than the redemption of the Series 2011B Bonds pursuant to the provisions of Section 4.02(3)(b) hereof, the redemption terms and notice for which shall be as set forth in the County Guaranty Agreement) have been selected for redemption pursuant to any provision of this Bond Resolution, the Trustee shall give written notice of the redemption of such Bonds in the name of the Authority at the times specified in the second paragraph of this Section 4.05, which notice shall set forth: (i) the Series of Bonds to be redeemed, (ii) the date fixed for redemption, (iii) the Redemption Price to be paid, (iv) that such Bonds will be redeemed at the Principal Office of the Paying Agent, (v) if less than all of such Bonds shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed, and (vi) in the case of Bonds 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 Bonds to be redeemed, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue and be payable. In case any Bond is to be redeemed in part only, the notice of redemption that relates to such Bond shall also state that on or after the redemption date, upon surrender of such Bond, the Holder thereof shall be entitled to a new Bond or Bonds of the same Series bearing interest at the same rate and in the aggregate principal amount equal to the unredeemed portion of such Bond.

The notice required to be given by the Trustee pursuant to this Section 4.05 shall be sent by first-class mail to the Registered Owners of the Bonds to be redeemed, at their addresses as they appear on the registration books of the Authority, not less than thirty (30) days nor more than forty-five (45) days prior to the redemption date. The failure to give notice of the redemption of any Bond or portion thereof to the Registered Owner of such Bond as herein provided or as provided in Section 4.06(2) hereof shall not affect the validity of the proceedings for the redemption of any Bonds for which notice of redemption has been given in accordance with the provisions of this Section 4.05.

SECTION 4.06. Payment of Redeemed Bonds.

1. On the date designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or the portions thereof called for redemption shall become and be due and payable at the Redemption Price provided for redemption of such Bonds or such portions thereof on such date. 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 Bonds, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue and be payable, such Bonds or such portions thereof shall cease to be entitled to any benefit or security under this Bond Resolution, and the Holders of such Bonds or such portions thereof shall have no rights in respect thereof, except to receive payment of the Redemption Price thereof and the accrued interest thereon and, to the extent provided in Section 4.07 hereof, to receive Bonds for any unredeemed portions of Bonds.

2. With respect to any Bonds to be redeemed that have not been presented for redemption within sixty (60) days after the redemption date, the Trustee, at the expense of the Company for any redemption occasioned by the payment of the Purchase Option Price by the Company in accordance with the terms of the Company Lease Agreement, and at the expense of the Authority, if otherwise, shall give a second notice of redemption by registered mail to the Registered Owners of any such Bonds not presented for redemption.

SECTION 4.07. Redemption of Portions of Bonds.

In case part but not all of an Outstanding Bond shall be selected for redemption, upon presentation and surrender of such Bond to the Paying Agent on or after the redemption date for payment of the principal amount thereof so called for redemption and accrued interest thereon, the Authority shall execute and the Trustee shall authenticate and deliver to or upon the order of the Registered Owner thereof or his attorney or legal representative, without charge therefor, a new Bond or Bonds of the same Series, bearing interest at the same rate and in any denomination or denominations authorized by this Bond Resolution in the aggregate principal amount equal to the unredeemed portion of such Bond.

ARTICLE V

REVENUES AND FUNDS

SECTION 5.01. Creation of Funds and Accounts.

1. Project Fund, to be held by the Trustee.

2. Administrative Fund, to be held by the Trustee, which shall consist of a Costs of Issuance Account and an Administrative Expense Account, and which Fund and Accounts are not subject to the pledge of the Trust Estate to the Trustee for the benefit of the Bondholders.

3. Revenue Fund, to be held by the Trustee, which shall consist of a Revenue Account, and an Aged Account.

4. Debt Service Fund, to be held by the Trustee, which shall consist of a Capitalized Interest Account, an Interest Account and a Principal Account. A Supplemental Resolution may establish an Account or subaccount for capitalized interest for any Series of Bonds other than the Series 2011 Bonds, if applicable.

5. County Security Fund, to be held by the Trustee, which Fund is not subject to the pledge of the Trust Estate to the Trustee for the benefit of the Bondholders.

6. General Fund, to be held by the Trustee.

7. There shall be no other Fund or Account established under the Bond Resolution, including without limitation a rebate fund or account, unless created by Supplemental Resolution.

Each of the Funds and Accounts created by this Bond Resolution, other than the Administrative Fund and the County Security Fund, if any, is hereby pledged to, and charged with, the payment of the principal or Redemption Price, if any, of and the interest on the Bonds as the same shall become due.

SECTION 5.02. Project Fund.

1. There shall be deposited in the Project Fund (a) from the proceeds of the Series 2011 Bonds, the amounts set forth in Section 2.03(7)(e) hereof, and (b) from the proceeds of each Series of Additional Bonds for a Completion Project, the amounts set forth for deposit therein pursuant to the Supplemental Resolutions authorizing the issuance of each such Series of Additional Bonds. The Company may, at its option in its sole discretion, determine to pay for any additional Project Costs by making an equity contribution or causing a third party to deposit funds with the Trustee, by accompanying any such deposit with a Certificate of an Authorized Officer of the Company (acknowledged by the Authority as to form only) delivered by or on

behalf of the Company to the Trustee. The source of such funds may, but shall not be required to be, any funds previously withdrawn by the Company pursuant to subsection 2(b) below.

2. (a) The Trustee shall make payments, if any, from the Project Fund for Costs of the Renewable Energy Projects and the Capital Improvement Projects for the Series 2011 Local Units in the amounts, at the times on each Draw Date, in the manner and on the other terms and conditions set forth in this Section 5.02(2)(a) and Section 510 and 511 of the Company Lease Agreement. Before any such payment shall be made, the Company shall file with the Trustee the Draw Papers therefor (executed by the Company, acknowledged by the Applicable Series 2011 Local Unit that the Renewable Energy Project Cost or Capital Improvement Project Cost has been incurred in accordance with the Plans and Specifications therefore, and acknowledged as to form only by the Authority), which Draw Papers shall be in substantially the form set forth as Exhibit C to the Company Lease Agreement. The Trustee shall issue a copy of such Draw Papers to the Authority and the Applicable Series 2011 Local Unit at the address set forth in the Applicable Local Unit License Agreement, and thereupon promptly issue the Trustee's check for each payment required by such Draw Papers to or on behalf of the Company, or the Trustee shall, by interbank transfer or other method, arrange to make and promptly make the payment required by such Draw Papers to or on behalf of the Company.

(b) The Trustee shall also make payments, if any, from the Project Fund for Company Development Fees and Expenses in an aggregate amount not to exceed $_____, unless a higher ceiling is specifically authorized by a Certificate of an Authorized Officer of the Authority (which may be provided in the Company Lease Agreement, Exhibit D, Authority acknowledgment as to form only), upon the Trustee's receipt of a duly authorized and executed Certificate of an Authorized Officer of the Company in substantially the form set forth in Exhibit D to the Company Lease Agreement, in the manner and on the other terms and conditions set forth in this Section 5.02(2)(b) and Section 509(d) of the Company Lease Agreement. Such Certificate of an Authorized Officer of the Company may be executed and delivered to the Trustee upon issuance of the Series 2011 Bonds, or thereafter, as the Company shall determine, so long as it is acknowledged by an Authorized Officer of the Authority as to form only in the form set forth on Exhibit D to the Company Lease Agreement, and further, so long as it, together with all prior such Certificates, does not exceed the ceiling noted above (absent specific authorization from the Authority). The Trustee shall promptly issue the Trustee's check for each payment required by such Certificate to or on behalf of the Company, or the Trustee shall, by interbank transfer or other method, arrange to make and promptly make the payment required by such Certificate to or on behalf of the Company.

3. (a) From time to time, in accordance with the terms of the Company Lease Agreement, the Local Unit License Agreements with respect to the Series 2011 Local Units, and this Bond Resolution, the Company shall file with the Trustee, Acceptance Certificates at the following times and with respect to the following matters, and upon receipt thereof, the Trustee shall take the following actions:

(i) The Company shall file with the Trustee the REP Acceptance Certificates in the form set forth as Exhibit B-1 to the Company Lease Agreement, one for each Series 2011 Local Unit, signed by an Authorized Officer of the Company with respect to the Renewable Energy Projects or, where applicable, any Completion Project related thereto, for each such Series 2011 Local Units, when (A) the Company has submitted all Draw Papers respecting Costs of such Renewable Energy Projects or the Completion Project related thereto, if any, to be paid from the Project Fund that are eligible to be approved with respect thereto for each such Series 2011 Local Unit, (B) all such Renewable Energy Projects or Completion Project related thereto, as the case may be, for each such Series 2011 Local Unit have been designed, acquired, constructed and installed in accordance with the Plans and Specifications therefor, (C) all such Renewable Energy Projects or Completion Project related thereto, as the case may be, for each such Series 2011 Local Unit have been accepted by the Company and such Series 2011 Local Unit, and (D) a statement regarding the funds remaining on deposit in the Project Fund earmarked for any such Renewable Energy Projects, if any, all in accordance with subsection (b) below. Each such REP Acceptance Certificate shall not be filed by the Company with the Trustee until so acknowledged by the Applicable Series 2011 Local Unit, until each such Certificate shall be further acknowledged by an Authorized Officer of the Authority as to form only, and until accompanied by one or more Interconnection Agreements with respect to all such Renewable Energy Projects or Completion Projects related thereto;

(ii) The Company shall file with the Trustee the CIP Acceptance Certificates in the form set forth as Exhibit B-2 to the Company Lease Agreement, one for each Series 2011 Local Unit that is financing Capital Improvement Projects with a portion of the proceeds of the Bonds, signed by an Authorized Officer of the Company with respect to such Capital Improvement Projects or, where applicable, any Completion Project related thereto, for each such Series 2011 Local Units, when (A) the Company has submitted all Draw Papers respecting Costs of such Capital Improvement Projects or the Completion Project related thereto, if any, to be paid from the Project Fund that are eligible to be approved with respect thereto for each such Series 2011 Local Unit, (B) all such Capital Improvement Projects or Completion Project related thereto, as the case may be, for each such Series 2011 Local Unit have been designed, acquired, constructed, renovated and installed in accordance with the Plans and Specifications therefor, (C) all such Capital Improvement Projects or Completion Project related thereto, as the case may be, for each such Series 2011 Local Unit have been accepted by such Series 2011 Local Unit, and (D) a statement regarding the funds remaining on deposit in the Project Fund earmarked for any such Capital Improvement Projects, if any, all in accordance with subsection (b) below. Each such CIP Acceptance Certificate shall not be filed by the Company with the Trustee until so acknowledged by the Applicable Series 2011 Local Unit,

and until each such Certificate shall be further acknowledged by an Authorized Officer of the Authority as to form only; and

(iii) Upon the Trustee's receipt of the fully authorized, completed, executed, acknowledged and delivered CIP Acceptance Certificate and REP Acceptance Certificate with respect to all of the Renewable Energy Projects and Capital Improvement Projects for a particular Series 2011 Local Unit, the Trustee shall automatically, and without any further authorization, release to the Company one half (1/2) of the ten percent (10%) retainage previously withheld by the Trustee from all of the Draw Papers previously submitted by the Company with respect to such Renewable Energy Projects and Capital Improvement Projects for such Series 2011 Local Unit.

(b) Prior to the filing of the last Acceptance Certificate for the last Series 2011 Local Unit that is funding a Project, any remaining moneys, including interest, earmarked for a Project for which an Acceptance Certificate shall have been filed, shall remain in the Project Fund. Upon the filing by the Company, as duly acknowledged by the Series 2011 Local Units and the Authority, all in accordance with the terms hereof, of the Company Lease Agreement, and of the Local Unit License Agreements for the Series 2011 Local Units, of the final Acceptance Certificate for all of the Series 2011 Local Units on or prior to _____, 2012, unless extended in accordance with the terms of the Company Lease Agreement, regardless of which Project, any such Acceptance Certificate shall additionally provide that the Trustee shall transfer any funds remaining on deposit in the Project Fund as follows, and upon the Trustee's receipt of same, without any further authorization, the Trustee shall so apply any such remaining funds: (i) the Trustee shall (A) release and pay over to the Company the other half (1/2) of the ten percent (10%) retainage previously withheld by the Trustee from all of the Draw Papers previously submitted by the Company with respect to all of the Renewable Energy Projects and Capital Improvement Projects for all of the Series 2011 Local Units, and (B) transfer any such remaining funds to the Debt Service Fund and apply such funds as a credit to the next due Interest Portion of Basic Lease Payments due from the Company, and if not fully applied, to the next due Principal Portion of Basic Lease Payments due from the Company, and if still not fully applied, then to the next due future Interest Portion, and then Principal Portion, of Basic Lease Payments due from the Company, until fully applied, but only so long as the Company shall not have caused an Event of Default under the Company Lease Agreement or any other Company Document, in which latter case (ii) the Trustee shall transfer any such remaining funds as set forth in a Certificate of an Authorized Officer of the Authority accompanying any such Acceptance Certificate, as applicable, or subsequently delivered to the Trustee, as applicable. To the extent the final Acceptance Certificate for all of the Series 2011 Local Units shall not have been filed by the Company, as duly acknowledged by the Series 2011 Local Units and the Authority, all in accordance with the terms hereof, of the Company Lease Agreement, and of the Local Unit License Agreements for the Series 2011 Local Units, on or prior to _____, 2012 (thereby causing an Event of Default under, and as defined in, the Company Lease Agreement, but not under this Bond Resolution), the Trustee shall transfer any funds

remaining on deposit in the Project Fund as set forth in a Certificate of an Authorized Officer of the Authority.

4. To the extent a Series of Additional Bonds are issued as Tax-exempt Bonds, the Authority shall cause the Company to issue any Draw Papers and Acceptance Certificates on such terms additional to the requirements of this Section 5.02 as shall be required by Bond Counsel as set forth in the provisions of the Tax Certificate for such Series of Additional Bonds.

SECTION 5.03. Administrative Fund.

1. There shall be established within the Administrative Fund a Costs of Issuance Account and an Administrative Expense Account.

2. In addition to the amounts deposited in the Costs of Issuance Account from the proceeds of the Series 2011 Bonds pursuant to Section 2.03(7)(a)(i) hereof and in the Administrative Expense Account from the proceeds of the Series 2011 Bonds pursuant to Section 2.03(7)(a)(ii) hereof, there shall be deposited in the Administrative Fund from the proceeds of each Series of Additional Bonds the amounts set forth for deposit therein pursuant to the Supplemental Resolutions authorizing the issuance of each such Series of Additional Bonds.

3. (a) The Authority shall direct the Trustee, in writing, to make payments from the Costs of Issuance Account in the manner and on the terms and conditions as the Authority shall determine to be fair and reasonable in the payment of the particular items of the Costs of Issuance relating to a particular Series of Bonds and, with respect to any Series of Additional Bonds that constitute Tax-exempt Bonds, in accordance with the provisions of the Tax Certificate. With respect to Costs of Issuance incurred on behalf of a Series 2011 Local Unit for which either direct payment or reimbursement is being sought, such terms and conditions shall include, at a minimum, a Certificate of an Authorized Officer of such Series 2011 Local Unit in the form of Exhibit F to the Local Unit License Agreement, as applicable, to the effect that any such Cost of Issuance for which payment is sought (i) constitutes a Cost of Issuance hereunder, (ii) has been properly incurred in accordance with all applicable law, and (iii) is evidenced by a proper invoice attached to said Certificate. Costs of issuance to be paid by or on behalf of the Company shall not be deemed a Costs of Issuance for purposes of any Program Document, and may be paid or reimbursed as a Company Development Fee and Expense, payable from the Project Fund, in accordance with the terms of Section 5.02(2)(b) hereof and Section 509(d) of the Company Lease agreement.

(b) Upon the payment of all Costs of Issuance as evidenced by a Certificate of an Authorized Officer of the Authority to such effect, the amounts remaining in the Costs of Issuance Account, if any, shall be transferred according to the direction of any such Certificate of an Authorized Officer of the Authority, to any of the following: (i) to the Administrative Expense Account for payment of Administrative Expenses, (ii) to the Debt Service Fund and applied to pay the interest on and, to the extent available therefor, the principal of the Bonds due and owing on the immediately succeeding Interest Payment Date, (iii) to the Project Fund and

applied to the Costs of Projects in accordance with Section 5.02 hereof, or (iv) as otherwise set forth in such Certificate of an Authorized Officer of the Authority.

4. (a) The Trustee shall invoice the Company (i) for the annual Administrative Fee not provided for from a portion of the proceeds of a Series of Bonds, if any, at least sixty (60) days prior to the dates such amounts become due, and (ii) for any other Administrative Expense not provided for from a portion of the proceeds of a Series of Bonds, if any, and that is approved by the Authority, promptly after the receipt by the Trustee of a Certificate of an Authorized Officer of the Authority delivered to the Trustee to such effect.

(b) The Company shall pay to the Trustee as Additional Lease Payments under the Company Lease Agreement for deposit in the Administrative Expense Account (i) the Administrative Fee when due in accordance with the definition thereof, if any, not otherwise provided for from a portion of the proceeds of a Series of Bonds, and (ii) any other amounts due as Administrative Expenses, including without limitation interest payable at the Overdue Rate at the times set forth herein or in the Company Lease Agreement, as the case may be.

(c) Upon receipt of such Bond proceeds or Additional Lease Payments, as the case may be, the Trustee shall promptly forward the Administrative Fee including, subject to the following sentence, any amounts payable at the Overdue Rate to the Authority and the other amounts due as Administrative Expenses to the party on whose behalf such payments were made. To the extent the Trustee has made an advance of a payment due and owing by the Company under this Bond Resolution, the Company Lease Agreement or any other Program Document and the Company has paid to the Authority moneys at the Overdue Rate, the Authority shall first reimburse the Trustee from any such Overdue Rate receipts to the extent of any such advances made by the Trustee.

(d) The Administrative Fee may be retained or applied by the Authority in its sole discretion for any corporate purpose allowable under the Act as such funds are not subject to the pledge of the Trust Estate unless and until deposited in any Fund or Account under the Bond Resolution, which purposes may include, without limitation, the application to any Fund or Account under the Bond Resolution at the written direction of a Certificate of an Authorized Officer of the Authority filed with the Trustee, which Certificate for all Series of Tax-exempt Bonds, must also comply with the Tax Certificate or otherwise be subject to an opinion of Bond Counsel filed with the Trustee that such application won't adversely affect exclusion from gross income of the holders of any such Series of Tax-exempt Bonds for Federal income tax purposes.

(e) Upon the payment of all Administrative Expenses funded from the Series 2011 Bonds, as evidenced by a Certificate of an Authorized Officer of the Authority to such effect, the amounts remaining in the Administrative Expense Account and allocable to such Series 2011 Bond proceeds, together with interest earned thereon and retained therein, if any, shall be transferred according to the direction of any such Certificate of an Authorized Officer of the Authority, to any of the following: (i) to the Debt Service Fund and applied to pay the interest on and, to the extent available therefor, the principal of the Bonds due and owing on the

immediately succeeding Interest Payment Date, (ii) to the Project Fund and applied to the Costs of Projects in accordance with Section 5.02 hereof, or (iii) as otherwise set forth in such Certificate of an Authorized Officer of the Authority.

SECTION 5.04. Revenues.

All Revenues shall be promptly deposited to the credit of Revenue Account within the Revenue Fund, and all transfers from such Fund shall be made only in accordance with this Article V.

SECTION 5.05. Revenue Fund.

1. (a) On each Basic Lease Payment Date or any other date on which the Trustee receives Basic Lease Payments from the Company or Power Purchase Price Payments made by the Series 2011 Local Units on behalf of the Company, the Trustee shall deposit each Basic Lease Payment made by the Company pursuant to the terms of the Company Lease Agreement, and any Power Purchase Price Payments made by the Series 2011 Local Units on behalf of the Company, for immediate credit in the Revenue Account within Revenue Fund. The Trustee shall notify the Company, with a copy to the Authority, of the circumstances and amounts providing credits to Basic Lease Payments due from the Company, all at the times and as otherwise required by Sections 302(a)(iii), 305(b), 306(b), and 310(b) of the Company Lease Agreement.

(b) On each date on which the Trustee receives Additional Lease Payments from the Company allocable to the Purchase Option Price or the Mandatory Purchase Price, the Trustee shall deposit each such Additional Lease Payment made by the Company pursuant to the terms of the Company Lease Agreement for immediate credit in the Revenue Account within Revenue Fund.

(c) After any such funds deposited in the Revenue Account within the Revenue Fund in accordance with subsections (a) or (b) above have been on deposit for one hundred twenty-three (123) consecutive days in the Revenue Account within the Revenue Fund, and have not been recaptured by or on behalf of the Company or its other creditors, the Trustee shall transfer such funds to the Aged Account within the Revenue Fund on the first day of the following month (unless the first day of the following month is an Interest Payment Date, in which case the money should be transferred to the Aged Account on the fifteenth (15th) day of such present month, or if the transfer date is after such fifteenth (15th) day of such present month preceding an Interest Payment Date, transferred immediately).

2. On or prior to each Interest Payment Date, the Trustee shall transfer from moneys on deposit in the Aged Account within the Revenue Fund to the Interest Account in the Debt Service Fund the amount that, together with the amounts, if any, already on deposit in the Interest Account and the amounts, if any, on deposit in the Capitalized Interest Account and designated for use on such Interest Payment Date pursuant to this Bond Resolution or a

Supplemental Resolution, is equal in the aggregate to the interest due and payable on the Outstanding Bonds on such Interest Payment Date.

3. On or prior to each Principal Payment Date, the Trustee shall transfer from moneys on deposit in the Aged Account within the Revenue Fund to the Principal Account in the Debt Service Fund the amount that, together with the amounts, if any, already on deposit in the Principal Account, is equal in the aggregate to the principal, Sinking Fund Installment or Redemption Price due and payable on the Outstanding Bonds on such Principal Payment Date.

4. (a) To the extent the County has made payment of a portion of the principal of and interest on the Bonds under the County Guaranty, on the Business Day following each Interest Payment Date or Principal Payment Date, the Trustee shall immediately pay over to the County any monies on deposit in the Aged Revenue Account in satisfaction of and up to the amount of any such County Guaranty payments in the aggregate.

(b) To the extent any funds remain in the Aged Revenue Account as of such Business Day following each Interest Payment Date or Principal Payment Date and after accounting for any transfer required by clause (a) above, including in the situation where the County Guaranty has not been drawn, the Trustee shall transfer any such amounts remaining on deposit in the Aged Revenue Account (i) first to the Interest Account of the Debt Service Fund up to the amount of the next scheduled interest payment due on the Bonds on the next scheduled Interest Payment Date and (ii) second to the Principal Account of the Debt Service Fund, for which the Company shall receive a credit in the amount of any such monies so transferred first against the Interest Portion and second the Principal Portion of its Basic Lease Payments due on the next scheduled Basic Lease Payment Date, and to the extent any amounts so transferred remain on deposit in the Debt Service Fund, against the next occurring Interest Portion and then Principal Portion of Basic Lease Payments due until fully expended. The Trustee shall promptly notify in writing the Company, the Authority and the County of any transfers made pursuant to this subsection (4).

5. The Trustee shall keep records and accounts with respect to the Revenue Fund so that all amounts received by the Trustee from the Company under the Company Lease Agreement can be properly designated as (i) the Interest Portion of Basic Lease Payments or the Principal Portion of Basic Lease Payments and (ii) other amounts payable under the Company Lease Agreement as Additional Lease Payments (including those attributable to the Purchase Option Price or Mandatory Purchase Price) or investment earnings attributable to such amounts, provided that Basic Lease Payments shall be applied to the Interest Portion prior to the Principal Portion.

SECTION 5.06. Debt Service Fund.

1. (a) On each Interest Payment Date of the Outstanding Bonds of any Series, the Trustee shall withdraw from the Capitalized Interest Account, if so designated, and the Interest Account in the Debt Service Fund amounts equal in the aggregate to the interest due on

such Bonds on such Interest Payment Date. Such moneys shall be transferred from the Trustee to the Paying Agent and applied by the Paying Agent to the payment of such interest to the Holders as of the Record Date, all in accordance with the terms of this Bond Resolution.

(b) If, by 9:00 a.m. Eastern Standard Time ("*EST*") thirty (30) days' prior to any Interest Payment Date, the Trustee has determined that there are insufficient funds in the Interest Account in the Debt Service Fund (after taking into account any moneys earmarked for transfer therein from the Revenue Fund and all other amounts available hereunder for transfer into the Interest Account in the Debt Service Fund) to pay the full amount of interest due and owing on such Bonds on such Interest Payment Date, the Trustee shall immediately notify the Authority, the Company, the County and the Paying Agent of such deficiency. The Trustee shall continue to notify such entities of any continuing deficiency on a weekly basis, with the final notification being 9:00 a.m. EST on any such Interest Payment Date.

(c) The County shall timely satisfy any such deficiency remaining as of 10 a.m. on any such Interest Payment Date, by immediately making a payment under the County Guaranty (in accordance with the terms of the County Guaranty Agreement) in the amount of any continuing deficiency in immediately available funds to the Trustee for deposit in the Interest Account in the Debt Service Fund. Such moneys shall be transferred from the Trustee to the Paying Agent and applied by the Paying Agent to the payment to Holders as of the Record Date of such interest due on such Bonds on such Interest Payment Date in accordance with this Bond Resolution. The Authority and the Trustee shall enforce the provisions of the County Guaranty to the extent the County fails, for whatever reason, to promptly act in accordance with the terms thereof.

2. (a) On each Principal Payment Date of the Outstanding Bonds of any Series, the Trustee shall withdraw from the Principal Account in the Debt Service Fund amounts equal in the aggregate to the principal (including any Sinking Fund Installment) or Redemption Price, as applicable, due on such Bonds on such Principal Payment Date. Such moneys shall be transferred from the Trustee to the Paying Agent and applied by the Paying Agent to the payment of such principal (including any Sinking Fund Installment) or Redemption Price, as applicable, to the Holders as of the Record Date, all in accordance with the terms of this Bond Resolution.

(b) If, by 9:00 a.m. EST one (1) month prior to any Principal Payment Date, the Trustee has determined that there are insufficient funds in the Principal Account in the Debt Service Fund (after taking into account any moneys earmarked for transfer therein from the Revenue Fund and all other amounts available hereunder for transfer into the Principal Account in the Debt Service Fund) to pay the full amount of principal (including any Sinking Fund Installment) or Redemption Price, as applicable, due and owing on such Bonds on such Principal Payment Date, the Trustee shall immediately notify the Authority, the Company, the County and the Paying Agent of such deficiency. The Trustee shall continue to notify such entities of any continuing deficiency on a weekly basis, with the final notification being 9:00 a.m. EST on any such Principal Payment Date.

(c) The County shall timely satisfy any such deficiency remaining as of 10 a.m. on any such Principal Payment Date, by immediately making a payment under the County Guaranty (in accordance with the terms of the County Guaranty Agreement) in the amount of any continuing deficiency in immediately available funds to the Trustee for deposit in the Principal Account in the Debt Service Fund. Such moneys shall be transferred from the Trustee to the Paying Agent and applied by the Paying Agent to the payment to Holders as of the Record Date of such principal (including any Sinking Fund Installment) or Redemption Price, as applicable, due on such Bonds on such Principal Payment Date in accordance with this Bond Resolution. The Authority and the Trustee shall enforce the provisions of the County Guaranty to the extent the County fails, for whatever reason, to promptly act in accordance with the terms thereof.

3. To the extent moneys on deposit and earned in the Capitalized Interest Account are insufficient to pay interest on any Series of Bonds on any Interest Payment Date through and including the date set forth in the Bond Resolution, including any Supplemental Resolution for that Series of Bonds, the Trustee shall, upon receipt of a Certificate of an Authorized Officer of the Authority to such effect, transfer to the Capitalized Interest Account from moneys on deposit in the Project Fund an amount not exceeding such deficiency at the times set forth in any such Certificate.

SECTION 5.07. County Security Fund

1. The County Security Fund, if any, shall be funded as follows:

(a) [Notwithstanding anything to the contrary in this Section 5.07, upon the issuance of the Series 2011 Bonds, the initial County Security Fund shall be initially funded at $_____, as reflected in Section 2.03(7)(c) hereof, such amount constituting the initial County Security Fund Requirement set forth in the definition thereof, and accordingly, **Exhibit B** to the Bond Resolution shall be reserved.] Upon the issuance of any Series of Additional Bonds, the designated portion of the proceeds of any such Additional Bonds, or such other funds, as applicable, if deemed necessary, convenient or desirable by the Authority (after consultation with the County), shall be deposited in the County Security Fund at the times, in the amounts, and otherwise in conformity with the terms of any Supplemental Resolution authorizing any such Additional Bonds. As security for the Company's obligation, among other things, to make the payment required under clause (ii) above, the Company has assigned to the Trustee a portion of, and caused the Pledgor (as defined in the Company Pledge Agreement) to assign to the Trustee the balance of, the Pledged Collateral under the Company Pledge Agreement.

(b) To the extent the Company has caused an Event of Default under the Company Lease Agreement or any other Program Document and the County has made payments under its County Guaranty, the Authority may, and upon the direction of the County, the Authority shall, direct the Trustee, to the maximum extent practicable, to deposit all or a portion of (i) the Leased Property (including without limitation any product therefrom, including the

SRECs, but excluding the Renewable Energy Projects, but only to the extent the Series 2011 Local Units are making their Net Substitute Power Purchase Price payments) or the proceeds therefrom and/or (ii) the Net Substitute Power Purchase Price payments received from time to time, in the County Security Fund, until the County has been reimbursed in full for any such payments. Upon the reimbursement in full of the County for any of its payments under its County Guaranty in accordance with subsection 2 below, in accordance with any County Security Agreement delivered in accordance with subsection 6 below, or otherwise, amounts remaining on deposit in the County Security Fund, shall be distributed in accordance with the County Security Agreement, if any, as Reimbursement Collateral, or if no County Security Agreement is then in place, promptly transferred to the General Fund for disposition by the Authority for any corporate purpose in accordance with the terms of Section 5.08(1) hereof and the Act.

2. Upon the Trustee's issuance of a continuing deficiency notice with respect to either or both of the Interest Payment Account or the Principal Payment Account of the Debt Service Fund as of 9:00 a.m. EST on any Interest Payment Date or Principal Payment Date, as the case may be, pursuant to Sections 5.06(1)(b) or 5.06(2)(b), hereof, and upon the Trustee's drawing on the County Guaranty to satisfy any such deficiency in accordance with Sections 5.06(1)(c) or 5.06(2)(c) hereof, as the case may be, the Trustee shall immediately (a) pay over to the County, in immediately available funds, the lesser of (i) the amount of the draw on the County Guaranty or (ii) the entire amount on deposit in the County Security Fund and (ii) promptly notify the Authority, and to the extent the Company Lease Agreement has not been terminated, the Company, of the occurrence and amount of such event.

3. (a) Whenever the amount on deposit in the County Security Fund equals or exceeds the principal amount, plus interest due and owing on the next occurring Interest Payment Date and Principal Payment Date, of all Outstanding Series 2011 Bonds plus any Series of Outstanding Additional Bonds so designated by a Supplemental Resolution, the Trustee shall (i) notify the County, the Authority, and the Company of such occurrence, amount, and supporting computations, and (ii) ten (10) Business Days' after such notification, to the extent such computations have been verified by the Authority, promptly transfer any such excess to the Aged Account of the Revenue Fund.

(b) When there are no Series 2011 Bonds Outstanding (and if so designated by a Supplemental Resolution, plus any Series of Outstanding Additional Bonds), whether at final stated maturity, upon redemption of all of such Bonds, or upon acceleration and payment of all of such Bonds, the Trustee shall promptly pay over to the Company the entire amount remaining on deposit in the County Security Fund, with notice of such occurrence and amount to be provided by the Trustee to the Authority and the County.

4. Except to the extent expressly permitted in this Section 5.07 or in accordance with Section 701 of the Company Lease Agreement, which direction the Trustee shall promptly follow upon receipt of the Company notice detailed therein, and notwithstanding anything to the contrary in this Bond Resolution, unless accompanied by a notice of direction issued to the

Trustee, signed by an Authorized Officer of each of the County and the Authority, amounts in the County Security Fund shall not be applied (a) directly, or transferred by the Trustee to any Fund or Account herein, in either case whereby such funds shall be used to pay any portion of the principal of, redemption premium, or interest on the Series 2011 Bonds or any other Series of Additional Bonds or (b) except as expressly set forth in this Bond Resolution. To the extent the Trustee receives any such properly executed notice of direction, the Trustee shall promptly follow such instructions, and simultaneously or promptly thereafter, notify the County, the Authority, and the Company of any such occurrence. Notwithstanding anything to the contrary in this Bond Resolution, as the County Security Fund is excepted from the pledge of the Trust Estate, this Section 5.07 may be amended by the Authority subsequent to the issuance of the Series 2011 Bonds without the consent of the Trustee or the Holders of any Outstanding Bonds.

5. (a) The Trustee shall accept the pledge and assignment of all right, title and interest in and to the Pledged Collateral under the terms of, and as defined in, the Company Pledge Agreement, which shall not be part of the Trust Estate, and therefore shall not be available to Holders of any Series of Outstanding Bonds, including the Series 2011 Bonds. The Trustee shall not exercise any rights and remedies, or take any other action pursuant to the Company Pledge Agreement, without the express written consent of the Authority. Pursuant to Section 4.08 of the Company Pledge Agreement, the Trustee shall be under no obligation to exercise any such rights or take any such action. Any moneys realized by the Trustee from such pledge (or realized by the Authority shall be promptly paid over to the Trustee, and then) shall be promptly deposited by the Trustee in the County Security Fund. In the case of the occurrence of an Event of Default as defined in the Company Pledge Agreement, the Authority may direct the Trustee, through a duly authorized and executed Certificate of an Authorized Officer of the Authority delivered to the Trustee, to further assign all or a portion of the Trustee's right, title and interest in and to the Collateral under the Company Pledge Agreement to the person or entity specified in such Certificate, including without limitation such person or entity undertaking all or a portion of the Company's responsibilities with respect to the Projects as set forth in the Program Documents, and/or to take such further action as set forth in such Certificate.

(b) Should no such Event of Default under the Company Pledge Agreement occur prior to or as of the end of the recapture period relating to the investment tax credit (or the Section 1603 Grant, as defined in the Company Pledge Agreement, in lieu of such credit) available to the Company under Sections 38, 46 and 48 of the Code in connection with the Renewable Energy Projects, as certified to the Trustee by an Authorized Officer of the Company in a Certificate to such effect delivered by or on behalf of the Company to the Trustee and the Authority, the Trustee shall promptly take all actions to release and/or terminate the pledge under the Company Pledge Agreement, including without limitation returning any Certificated Securities, received pursuant to and as defined under the Company Pledge Agreement, to the Company.

6. Notwithstanding any provision to the contrary herein or in any other Program Document, to the extent the Company has not caused an Event of Default under any Program Document (or any shall have been cured by such time), and the Company delivers to the County,

County Security and a fully executed County Security Agreement providing such County Security in an amount greater than or equal to the County Security Fund Requirement applicable at such time, all in a form and substance acceptable, in the County's sole discretion, to the County, then upon the Company's delivery to the Trustee and the Authority of a Certificate of an Authorized Officer of the Company to such effect, such Certificate to be acknowledged in writing by the County, the Trustee shall promptly release all funds (principal, interest and/or any securities or other investments) on deposit in the County Security Fund to the Company.

7. Funds on deposit in the County Security Fund in excess of the County Security Fund Requirement shall remain therein, including any interest earned in accordance with Section 5.11(3) hereof, unless such monies are specifically required to be transferred pursuant to the provisions of this Section 5.07 or elsewhere in this Bond Resolution.

SECTION 5.08. General Fund.

1. On the first day of each Bond Year beginning May 1, 2014, provided, however, that all transfers from the Revenue Fund required pursuant to subsections (2) and (3) of Section 5.05 hereof shall have been made, any remaining amounts in the General Fund may be retained therein or applied by the Authority in its sole discretion for any corporate purpose allowable under the Act.

2. Any such funds, upon withdrawal from the General Fund, are not subject to the pledge of the Trust Estate unless and until deposited in any Fund or Account under the Bond Resolution, which purposes may include, without limitation, the application to any Fund or Account under the Bond Resolution at the written direction of a Certificate of an Authorized Officer of the Authority filed with the Trustee, which Certificate for all Series of Tax-exempt Bonds, must also comply with the Tax Certificate or otherwise be subject to an opinion of Bond Counsel filed with the Trustee that such application won't adversely affect exclusion from gross income of the holders of any such Series of Tax-exempt Bonds for Federal income tax purposes.

SECTION 5.09. Additional Bonds as a Series of Tax-exempt Bonds.

The Supplemental Resolution for any Series of Additional Bonds constituting Tax-exempt Bonds shall contain such provisions regarding a rebate fund, rebatable arbitrage, notice, records and other matters as may be required by a Tax Certificate or otherwise required to allow Bond Counsel to issue an opinion that the interest on the gross income of any such Series of Tax-exempt Bonds shall be excludable from the gross income of the Holders thereof for Federal income tax purposes.

SECTION 5.10. Moneys to Be Held in Trust.

All moneys required to be deposited with or paid to the Trustee or the Paying Agent for the account of any Fund or Account established under any provision of this Bond Resolution for the Bonds in accordance with this Bond Resolution, other than the Administrative Fund, shall be

held by the Trustee or the Paying Agent, as the case may be, in trust for the Holders of the Bonds and shall constitute part of the Trust Estate while held by the Trustee or the Paying Agent; provided, however, that moneys deposited with or held by the Trustee or the Paying Agent for the redemption of Bonds on or after the redemption date of such Bonds, or for the payment of the principal of, Redemption Price, if any, or the interest on Bonds on or after the date on which such amounts shall have become due, shall be held and applied solely for the redemption or payment of such Bonds or the payment of such interest.

SECTION 5.11. Investments.

1. All moneys in any of the Funds and Accounts created under this Bond Resolution shall be invested by the Trustee (a) with respect to the Project Fund, as and if directed by the Company in accordance with Section 310(a) of the Company Lease Agreement, (b) with respect to the County Security Fund, as and if directed by the County, in any Investment Obligations, or (c) if clause (a) or (b) are not applicable, either because such provisions do not apply to the other Funds or Accounts contemplated by this Bond Resolution, or the Company and/or the County does not exercise their rights to direct such investments, then as directed by the Authority in writing, subject to the further provisions of this Section 5.11. The Trustee may conclusively rely upon such written direction of the Authority as to any and all investments.

2. Moneys in all Funds and Accounts created under this Bond Resolution, other than the Debt Service Fund and the Accounts established therein, shall be invested in Investment Securities, the principal of and the interest on which are payable not later than the dates on which it is estimated, by the Authority, that such moneys will be required hereunder. Moneys in the Debt Service Fund shall only be invested in such securities as are described in clause (i) of the definition of "Investment Securities" in Section 1.01 hereof, the principal of and the interest on which are payable not later than the dates on which it is estimated, by the Authority, that such moneys will be required hereunder. Moneys on deposit in the Revenue Fund and the Debt Service Fund shall be invested in such Investment Securities as to mature or otherwise become available for payment no later than any Interest Payment Date or Principal Payment Date.

3. Investment Securities as an investment of moneys in any Fund or Account created under this Bond Resolution shall be credited to such Fund or Account, except that any interest earned on monies in the Revenue Account of the Revenue Fund shall be transferred by the Trustee, no less frequently than once a month, to the Aged Account of the Revenue Fund. For the purpose of determining the amount in any Fund or Account at any time in accordance with this Bond Resolution, all Investment Securities credited to such Fund or Account shall be valued annually on the first day of any Bond Year at the lesser of amortized cost (exclusive of accrued interest) or fair market value, and any deficiency resulting therefrom shall be payable by the Company as an Additional Lease Payment under the Company Lease Agreement ratably every month over a period not to exceed five (5) months from such valuation date.

4. All interest, profits and other income earned and received by the Trustee and the Authority, as appropriate, net of any losses suffered (herein called the "net earnings"), from the

investment of moneys in any Fund or Account shall be retained in and treated as part of such Fund or Account and applied in accordance with the applicable Sections of this Bond Resolution governing such Fund or Account, except that any interest earned on monies in the Revenue Account of the Revenue Fund shall be transferred by the Trustee, no less frequently than once a month, to the Aged Account of the Revenue Fund, and applied in accordance with the applicable Sections of this Bond Resolution governing such Fund or Account

5. The Trustee may act as principal or agent in the acquisition or disposition of any Investment Securities. The Trustee shall exercise its best efforts to sell at market price obtainable, or present for redemption, any Investment Securities to the credit of any Fund or Account created under this Bond Resolution and the Accounts established therein whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from such Fund or Account, and the Trustee shall not be liable for any loss resulting from such necessary sale so made of such investments.

ARTICLE VI

PROGRAM DOCUMENTS, BOND PURCHASE AGREEMENT AND OFFICIAL STATEMENTS

SECTION 6.01. Terms and Conditions of Program Documents.

The Authority hereby authorizes the Trustee to disburse funds from the Project Fund in accordance with the terms set forth herein and in the Program Documents for the purpose of acquiring, constructing, renovating and installing the Projects. Consequently, the Authority shall enter into or adopt, as the case may be, the Program Documents in the manner, on the terms and conditions and upon submission of the documents required by this Article VI, and not otherwise.

SECTION 6.02. Form of Program Documents.

The Authority hereby severally authorizes its Authorized Officers to enter into the Program Documents to be executed or acknowledged by the Authority (a) other than with respect to the Power Purchase Agreement, in the forms thereof attached hereto as **Exhibit A** upon original adoption of this Bond Resolution on _____, with such immaterial changes thereto as shall be within the parameters set forth herein and the terms of the Local Finance Board Application, (b) with respect to the Power Purchase Agreement, in the form thereof attached hereto as **Exhibit A** upon original adoption of this Bond Resolution on _____, with such immaterial changes thereto as shall be within the parameters set forth herein, in the Local Finance Board Application, and the Company RFP, and (c) to the extent not attached hereto, in such forms as shall be consistent with this Bond Resolution and the terms of the Local Finance Board Application, in both cases, as shall be determined exclusively by any such Authorized Officer, after consultation with Counsel, which determination shall be conclusively evidenced by any such Authorized Officer's execution and delivery thereof. To the extent the final forms of the Program Documents attached hereto shall be materially changed from that attached hereto as **Exhibit A** prior to the issuance of the Series 2011 Bonds, such Program Documents may be authorized by a subsequent authorizing resolution of the Authority without compliance with the provisions of Article XI hereof. The Chair and any other Authorized Officer shall also take all other actions and execute any other documents, agreements, certificates or other instruments deemed necessary, convenient or desirable by the Chair or any such other Authorized Officer to consummate the transactions contemplated hereby and by such Program Documents, including without limitation the issuance of the Company RFP; provided, however, that such Program Documents shall in any event conform in all material respects to the provisions of this Article VI.

SECTION 6.03. Lease Payments.

The Authority shall establish Basic Lease Payments under the Company Lease Agreement in such amounts that, together with any amounts available and required to be treated as credits thereunder or under this Bond Resolution, shall be sufficient to pay the principal and

prepayment premium, if any, of and the interest on all Series of Bonds as the same become due and payable.

SECTION 6.04. Bond Purchase Agreement or Notice of Sale.

1. Depending on the direction as set forth in the Certificate of an Authorized Officer of the Authority as required by Section 2.02(1)(e) hereof, the Authority hereby severally authorizes its Authorized Officers to either (a) negotiate with an Underwriter selected in accordance with the terms of applicable Authority resolutions for the sale of all of the Series 2011A Bonds and any Series of Additional Bonds (other than the Series 2011B Bonds if privately placed with the County pursuant to Section 6.04(2) hereof) upon terms and conditions to be set forth in a bond purchase agreement, which may include the Bond Purchase Agreement, or (b) sell the Series 2011A Bonds to an Underwriter pursuant to the terms of a Notice of Sale or other competitive process, and if applicable, a bond purchase agreement, including the Bond Purchase Agreement, in either case which terms and conditions shall be within the constraints set forth herein, in the Local Finance Board Application, and in such other Authority resolutions pertaining thereto and shall be determined exclusively by any Authorized Officer, after consultation with Counsel, which determination shall be conclusively evidenced by the Authorized Officer's execution and delivery thereof. The Chair and any other Authorized Officer shall also take all other actions and execute any other documents, agreements, certificates or other instruments deemed necessary or desirable by the Chair or any such other Authorized Officer to consummate the transactions contemplated hereby and by such bond purchase agreement, including the Bond Purchase Agreement.

2. To the extent set forth in the Certificate of an Authorized Officer of the Authority as required by Section 2.02(1)(e) hereof, the Series 2011B Bonds shall be sold directly to the County, with or without the use of any Sale Documents, as may be set forth therein, for a purchase price equal to the par amount thereof, or such other amount as shall be set forth in such Certificate, at the same interest rates as the Series 2011A Bonds (except as set forth in Section 2.03(2)(d) hereof), and on a parity with the Series 2011A Bonds, with the same terms of the Series 2011A Bonds other than as expressly set forth in this Bond Resolution, all as shall be set forth in such Certificate.

3. The Series 2011B Bonds and all of the closing and other certificates to be executed in connection therewith upon the issuance thereof shall be authorized, executed, and delivered to the Trustee, to be held in escrow, until the Chairman of the Authority shall issue a Certificate at the direction of the County setting forth (a) the issuance date of the Series 2011B Bonds as a date no later than [January 31, 2012], (b) the Dated Date of the Series 2011B Bonds as that of the Series 2011A Bonds, provided that interest shall accrue on the Series 2011B Bonds from such Dated Date thereof, at which time the Series 2011B Bonds shall be delivered by the Trustee to the County (or at the County's written direction, retained by the Trustee on the County's behalf), and all such other closing certificates and documents shall be released from escrow and delivered to Bond Counsel, for distribution to the Renewable Energy Program Interested Parties along with the Program Documents and closing certificates for the Series

2011A Bonds. Notwithstanding anything to the contrary herein, to the extent the Trustee does not receive such Certificate by 5 p.m., EST, [January 31, 2012], the Authority shall use its best efforts to issue the Series 2011B Bonds through public or private sale (including to the County, if applicable) utilizing any necessary or desired Sale Documents, at interest rates at or below the Series 2011A Bonds.

SECTION 6.05. Preliminary Official Statement.

1. The Authorized Officers of the Authority are hereby severally authorized and directed, upon satisfaction of all of the legal conditions precedent to the delivery of the preliminary official statement relating to the Series 2011A Bonds and any Series of Additional Bonds (other than the Series 2011B Bonds if privately placed with the County pursuant to Section 6.04(2) hereof) by the Authority, as determined by an Authorized Officer of the Authority in consultation with the Chair of and Counsel to the Authority, to deliver a preliminary official statement (the "**Preliminary Official Statement**") "deemed final" within the meaning and for the purposes of Rule 15c2-12, and otherwise in the form and with such provisions as such Authorized Officer, after consultation with the Chair of and Counsel to the Authority, deems in their sole discretion to be necessary or desirable for the delivery thereof, which delivery thereof by such Authorized Officer shall conclusively evidence his consent to the provisions thereof.

2. The Authorized Officers of the Authority are hereby severally authorized and directed to execute any certificate or document relating to any statutes, rules or other procedures of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board or any state securities entity that such Authorized Officer, after consultation with the Chair of and Counsel to the Authority, deems necessary or desirable to effect the issuance of the Series 2011 Bonds and any Series of Additional Bonds and the transactions contemplated by the Preliminary Official Statement.

SECTION 6.06. Official Statement.

The Authorized Officers of the Authority are hereby severally authorized and directed to execute and deliver a final official statement (the "**Official Statement**") in substantially similar form to the Preliminary Official Statement, with such changes to reflect the final pricing as set forth in the bond purchase agreement, including the Bond Purchase Agreement as such Authorized Officers, after consultation with the Chair of and Counsel to the Authority, deems necessary or desirable to effect the issuance of the Series 2011A Bonds and any Series of Additional Bonds (other than the Series 2011B Bonds if privately placed with the County pursuant to Section 6.04(2) hereof) and the transactions contemplated by the final Official Statement.

SECTION 6.07. Continuing Disclosure.

1. Prior to issuance of the Series 2011A Bonds and any Series of Additional Bonds (other than the Series 2011B Bonds if privately placed with the County pursuant to Section 6.04(2) hereof), the Authority, pursuant to the sole discretion of the Chairman or any other Authorized Officer of the Authority, in consultation with Bond Counsel, general counsel and any other applicable advisors to the Authority, all as may be set forth in the Certificate of an Authorized Officer pursuant to Section 2.02(1)(e) hereof, shall determine if the Company is a materially "obligated person" within the meaning and for the purposes of Rule 15c2-12. If the Company is determined to be a materially "obligated person", it shall be required to enter into the Company Continuing Disclosure Agreement, in such form as set forth in **Exhibit A** hereto as a Program Document authorized thereby.

2. (a) The Authority hereby determines (i) that the County is a “materially obligated person” and (ii) that the Authority is not an "obligated person" within the meaning and for the purposes of Rule 15c2-12.

(b) Accordingly, (i) the Authority and the County shall be required to enter into the County Continuing Disclosure Agreement, in such form as set forth in **Exhibit A** hereto as a Program Document authorized thereby, and together with the Company Continuing Disclosure Agreement, (ii) the Authority hereby covenants to provide notice of Bond Disclosure Events (as defined in each of the respective Continuing Disclosure Agreements), if material, with respect to the Series 2011A Bonds and any Series of Additional Bonds (other than the Series 2011B Bonds if privately placed with the County pursuant to Section 6.04(2) hereof) to each Nationally Recognized Municipal Securities Information Repository recognized by the SEC or to the Municipal Securities Rulemaking Board and the State Information Depository, if any, recognized by the SEC, all as may be set forth in any such Continuing Disclosure Agreements.

3. Notwithstanding any provision to the contrary in Article XI hereof, the Authority may amend or supplement this Section 6.07 and the corresponding provisions of the Continuing Disclosure Agreements to comply with any amendment, supplement, modification, termination or other change to Rule 15c2-12 without the consent of any other Renewable Energy Program Interested Party or any Bondholder.

ARTICLE VII

SERVICING OF LEASE PAYMENTS

SECTION 7.01. Defaults.

The Trustee shall notify the Authority of its failure to receive any Lease Payment of the Company, if any, due under the Company Lease Agreement, or of any other Event of Default under the Company Lease Agreement known to the Trustee.

Upon the occurrence of an Event of Default under the Company Lease Agreement, the Trustee shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all of the terms and conditions of the Company Lease Agreement, including (without limitation) the prompt payment of all Company Lease Payments and all other amounts due the Authority and the observance and performance of all duties, covenants, obligations and agreements thereunder; provided, however, that the Trustee shall not accelerate the payment of amounts due under the Company Lease Agreement following any Event of Default thereunder (other than any Event of Default that shall automatically accelerate such payment under the Company Lease Agreement).

Except as otherwise provided in the Company Lease Agreement or in this Bond Resolution, the Trustee shall not release the duties, covenants, obligations or agreements of the Company under the Company Lease Agreement, and shall at all times, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of the Authority and the Holders under or with respect to the Company Lease Agreement; provided, however, that this provision shall not be construed to prevent the Trustee (with the consent of the Authority) from settling a default under the Company Lease Agreement on such terms as the Trustee shall determine to be in the best interests of the Authority and the Holders. The Authority hereby appoints the Trustee as its agent and attorney-in-fact for the purpose of enforcing all rights, title and interests of the Authority on behalf of the Holders under the Company Lease Agreement, except for the Authority's Reserved Rights.

SECTION 7.02. Termination of Company Lease Agreement.

Upon the payment in full of all amounts due under the Company Lease Agreement, the Authority shall cancel the obligation of the Company evidenced by the Company Lease Agreement and shall terminate and release all security interests and liens created under the Company Lease Agreement, and the Authority and the Trustee shall take any and all other action required of the Authority or the Trustee thereunder in connection with such cancellation and termination, including (without limitation) the execution of all relevant documents in connection with such actions.

SECTION 7.03. Files.

The Trustee shall keep a file for all records and other documents pertaining to disbursements of the Project Fund in accordance with this Bond Resolution, the Company Lease Agreement and the Local Unit License Agreements for the Series 2011 Local Units, and pertaining to all Lease Payments and other amounts received by the Trustee under the Company Lease Agreement, and all communications from or received by the Trustee with respect to the Projects. Such file shall be kept at the Principal Office of the Trustee and shall be available for inspection by the Authority, the Series 2011 Local Units, the County, and the Company and their respective agents at reasonable times and under reasonable circumstances.

SECTION 7.04. Trustee's Obligations.

The Trustee shall observe and perform all duties, covenants, obligations and agreements of the Authority under the Company Lease Agreement to the extent specified herein and therein. If an inconsistency arises between the Company Lease Agreement and this Bond Resolution, the Trustee shall rely on this Bond Resolution. Notwithstanding the preceding sentence, the Trustee shall have no duty to acquire, construct, renovate or install the Projects.

ARTICLE VIII

GENERAL COVENANTS

SECTION 8.01. Payment of Bonds; Special and Limited Obligations of Authority.

The Authority shall pay or cause to be paid the principal or Redemption Price, if any, of and the interest on every Bond of each Series on the date, at the place and in the manner provided herein, in the Applicable Supplemental Resolution and in such Bonds according to the true intent and meaning thereof; provided, however, that the Bonds of each Series are special and limited obligations of the Authority, the principal or Redemption Price, if any, of and the interest on which are payable solely from the Trust Estate.

The Bonds of each Series shall not be payable from the general funds of the Authority, and shall not constitute a legal or equitable pledge of, or lien or encumbrance upon, any of the assets or property of the Authority (other than the Trust Estate) or upon any of its income, receipts or revenues, except as provided in this Bond Resolution. The full faith and credit of the Authority are not pledged, either expressly or by implication, to the payment of the Bonds. The Authority has no taxing power, and has no claim on any revenues or receipts of the State or any agency or political subdivision thereof or of the Series 2011 Local Units or the County (except as expressly provided in the County Guaranty).

SECTION 8.02. Observance and Performance of Duties, Covenants, Obligations and Agreements; Representations as to Authorization and Validity of Bonds.

The Authority shall faithfully observe and perform at all times all of its duties, covenants, obligations and agreements contained in the Company Lease Agreement, this Bond Resolution, any Supplemental Resolution or any Bond executed, authenticated and delivered under this Bond Resolution or under any Supplemental Resolution or in any proceedings of the Authority pertaining thereto.

The Authority represents and covenants that: (i) it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Bonds of each Series, to enter into the Company Lease Agreement, and to pledge the Trust Estate in the manner and to the extent set forth in this Bond Resolution and as shall be set forth in any Supplemental Resolution; (ii) all action on its part for the issuance of the Bonds of each Series will be duly and effectively taken; and (iii) the Bonds of each Series in the hands of the Holders thereof will be valid and binding special and limited obligations of the Authority, enforceable against the Authority in accordance with their terms.

SECTION 8.03. Liens, Encumbrances and Charges.

The Authority shall not create or cause to be created and shall not suffer to exist any lien, encumbrance or charge upon the Trust Estate, except the pledge, lien and charge created for the

security of the Holders of the Bonds. To the extent Revenues are received, the Authority will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands that if unpaid might by law become a lien upon the Trust Estate; provided, however, that nothing contained in this Section 8.03 shall require the Authority to pay or cause to be discharged, or to make provision for, any such lien, encumbrance or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

So long as Bonds of any Series shall be Outstanding, the Authority shall not issue any bonds, notes or other evidences of indebtedness, other than such Bonds, secured by any pledge of or other lien or charge on the Trust Estate. Nothing in this Bond Resolution is intended to or shall affect the right of the Authority to issue bonds, notes and other obligations under other resolutions or indentures for any of its other purposes.

SECTION 8.04. Accounts and Audits.

The Authority shall keep, or cause to be kept, proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Projects, this Bond Resolution and any Supplemental Resolution, which books and accounts (at reasonable hours and subject to the reasonable rules and regulations of the Authority) shall be subject to the inspection of the Trustee, the Series 2011 Local Units, the County, the Company, any Holder of any Bonds or their agents or representatives duly authorized in writing. The Authority shall have the right to cause such books and accounts to be audited annually within ninety (90) days after the end of its fiscal year by an Independent Public Accountant selected by the Authority. Annually, within thirty (30) days after the receipt by the Authority of the report of such audit, a signed copy of such report shall be furnished to the Trustee. Such report shall include at least: (i) a statement of all Funds and Accounts (including investments thereof) held by the Trustee pursuant to the provisions of this Bond Resolution; (ii) a statement of the Revenues collected in connection with this Bond Resolution; and (iii) a statement that, in making such audit, no knowledge of any payment default in the fulfillment of any of the terms, covenants or provisions of this Bond Resolution was obtained or, if knowledge of any such default was obtained, a statement thereof.

SECTION 8.05. Further Assurances.

The Authority will pass, make, do, execute, acknowledge and deliver any and all such further resolutions, indentures, actions, instruments and assurances as may be reasonably necessary or proper to carry out the intention, or to facilitate the performance, of this Bond Resolution and for the better assuring and confirming unto the Holders of Bonds the rights and benefits provided in this Bond Resolution.

SECTION 8.06. Tax Covenants.

In connection with the issuance of any Series of Additional Bonds issued as Tax-exempt Bonds, an Authorized Officer of the Authority is hereby authorized to execute on behalf of the Authority (i) the Tax Certificate and (ii) any similar documents relating to the characterization of such Series of Bonds as not being "arbitrage bonds" within the meaning of Sections 103(a)(2) and 148 of the Code. Any further provisions relating thereto shall be as set forth in the Supplemental Resolution authorizing any such Series of Additional Bonds.

SECTION 8.07. Prepayment of Basic Lease Payments Through the Application of Additional Lease Payments for Purchase Option Price.

Upon the repayment, in whole or in part, of Basic Lease Payments due and owing under the Company Lease Agreement through the payment of Additional Lease Payments at the then applicable Purchase Option Price, the Authority shall elect to apply such prepayment proceeds (i) to the purchase of Bonds in the secondary market, (ii) to the redemption of Bonds in accordance with Article IV hereof, or (iii) to the payment of Bonds in accordance with Section 12.01 hereof. The Authority may only consent to such partial prepayment pursuant to the Company Lease Agreement if it simultaneously delivers to the Trustee (i) a certificate of an Independent Public Accountant demonstrating that the aggregate Basic Lease Payments due pursuant to the Company Lease Agreement after such prepayment shall be sufficient to pay, when due, the principal of and the interest on all Bonds 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, including, without limitation, delivering any documents required under the Company Lease Agreement.

ARTICLE IX

DEFAULT PROVISIONS; REMEDIES OF TRUSTEE AND BONDHOLDERS

SECTION 9.01. Defaults; Events of Default.

If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default" for the Bonds of all Series then Outstanding:

(a) default in the due and punctual payment of any interest on any Bond; or

(b) default in the due and punctual payment of the principal, Sinking Fund Installment or Redemption Price of any Bond whether at the stated maturity thereof or on any date fixed for the redemption of such Bond; or

(c) if (i) the Authority shall be adjudicated a bankrupt or become subject to an order for relief under federal bankruptcy law, (ii) the Authority shall institute a proceeding seeking an order for relief under federal bankruptcy law or seeking to be adjudicated a bankrupt or insolvent or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or all of its debts under New Jersey bankruptcy or insolvency law, (iii) with the consent of the Authority, there shall be appointed a receiver, liquidator or similar official for the Authority under federal bankruptcy law or under New Jersey bankruptcy or insolvency law, or (iv) without the application, approval or consent of the Authority, a receiver, trustee, liquidator or similar official shall be appointed for the Authority under federal bankruptcy law or under New Jersey bankruptcy or insolvency law or a proceeding described in clause (ii) above shall be instituted against the Authority, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) consecutive days; or

(d) if (i) the Authority shall make an assignment for the benefit of creditors, (ii) the Authority shall apply for or seek the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (iii) the Authority shall fail to file an answer or other pleading denying the material allegations of any proceeding filed against it described under clause (iv) of paragraph (c) of this Section 9.01, (iv) the Authority shall take any action to authorize or effect any of the actions set forth in paragraph (c) or (d) of this Section 9.01, (v) the Authority shall fail to contest in good faith any appointment or proceeding described in paragraph (c) or (d) of this Section 9.01, or (vi) without the application, approval or consent of the Authority, a receiver, trustee, examiner, liquidator or similar official shall be appointed for any substantial part of the Authority's property, and such appointment shall continue undischarged or such proceeding shall continue undismissed or unstayed for a period of thirty (30) consecutive days; or

(e) the Authority shall default in the performance or observance of any other of the duties, covenants, obligations, agreements or conditions on the part of the Authority to be

performed or observed under this Bond Resolution or under the Bonds of each Series, which default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall be given to the Authority by the Trustee or the Bondholders in accordance with Section 9.09 hereof.

SECTION 9.02. Acceleration of Bonds; Remedies.

If an Event of Default described in Section 9.01 hereof shall occur for any Series of Bonds, the Trustee shall give written notice thereof to Holders, and at the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall, by telephonic notice to the Authority (promptly confirmed in writing), declare the principal of all Bonds then Outstanding to be due and payable; provided, however, that before making such declaration, the Trustee shall give thirty (30) days' notice to the Authority and the Company during which time the Authority shall be able to cure such default. Upon any such declaration, the Trustee shall forthwith give notice thereof to the Company, each Local Unit and the Paying Agent.

At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such Event of Default, or before the completion of the enforcement of any other remedy under this Bond Resolution, the Trustee, by written notice to the Authority, may annul such declaration and its consequences if: (i) moneys shall have accumulated in the Interest Account and the Principal Account in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds (except the interest accrued on such Bonds since the last Interest Payment Date) and the principal then due on all Bonds (except the principal on any such Bonds due solely as a result of any such declaration of acceleration); (ii) moneys shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; and (iii) every other default known to the Trustee in the observance or performance of any duty, covenant, obligation, condition or agreement contained in the Bonds or in this Bond Resolution shall have been remedied to the satisfaction of the Trustee; provided, however, that such declaration may be annulled only with the written consent of the Holders of not less than 25% in aggregate principal amount of the Bonds Outstanding and not then due by their terms. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Upon the occurrence of an Event of Default, the Trustee shall also have the following rights and remedies:

(a) The Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and the interest on the Bonds then Outstanding, including (without limitation) enforcement of any rights of the Authority or the Trustee under the Company Lease Agreement;

(b) The Trustee by action or suit in equity may require the Authority to account as if it were the trustee of an express trust for the Holders of Bonds, and may take such action with respect to the Company Lease Agreement as the Trustee deems necessary or appropriate and in the best interests of the Holders of Bonds, subject to the terms of the Company Lease Agreement; and

(c) Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Holders of Bonds under this Bond Resolution, the Trustee will be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate and the issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

If an Event of Default shall have occurred with respect to any Bonds, and if requested so to do by the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its reasonable satisfaction therefor, the Trustee shall be obligated to exercise such one or more of the rights, remedies and powers conferred by this Section 9.02 as directed by such Holders of Bonds.

No right or remedy by the terms of this Bond Resolution conferred upon or reserved to the Trustee (or to the Holders of Bonds) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to such Holders hereunder or now or hereafter existing at law or in equity or by statute other than pursuant to the Act. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Holders of any Bonds in default, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

SECTION 9.03. Right of Holders of Bonds to Direct Proceedings.

Anything in this Bond Resolution to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of Bonds in default then Outstanding shall have the right at any time during the continuance of an Event of Default of such Bonds, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Bond Resolution or for the appointment of a receiver or any other proceedings

hereunder; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of this Bond Resolution.

SECTION 9.04. Application of Moneys.

All moneys received by the Trustee pursuant to any right or remedy given or action taken under the provisions of this Article IX upon any acceleration of the due date for the payment of the principal of and the interest on the Bonds in default (including, without limitation, moneys received by virtue of action taken under provisions of the Company Lease Agreement, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee and any other moneys owed to the Trustee in connection with such Bonds hereunder) shall be applied, first, to the payment of the principal and the interest then due and unpaid upon the Bonds in default, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section 9.04, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date, unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond in default until such obligation shall be presented to the Trustee for appropriate endorsement or for cancellation, as the case may be.

SECTION 9.05. Remedies Vested in Trustee.

All rights of action (including, without limitation, the right to file proofs of claims) under this Bond Resolution or under any of the Bonds in default may be enforced by the Trustee without possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee for the equal and ratable benefit of the Holders of all the Outstanding Bonds without the necessity of joining as plaintiffs or defendants any Holders of such Bonds.

SECTION 9.06. Rights and Remedies of Holders of Bonds.

No Holder of Bonds then Outstanding in default shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Bond Resolution or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) an Event of Default shall have occurred, (b) the Holders of not less than 25% in

aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) the Holders shall have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Trustee shall have refused, or for sixty (60) days after receipt of such request and offer of indemnification shall have failed, to exercise the remedies hereinbefore granted or to institute such action, suit or proceeding in its own name, and such request and offer of indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Bond Resolution and to any action or cause of action for the enforcement of this Bond Resolution or for the appointment of a receiver or for any other remedy hereunder. It is understood and intended that no one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Bond Resolution by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Holders of all Bonds then Outstanding; provided, however, that nothing contained in this Bond Resolution shall affect or impair the right of the Holder of any Bond to enforce the payment of the principal or Redemption Price of and the interest on such Bond at and after the maturity thereof, or the obligation of the Authority to pay the principal or Redemption Price of and the interest on each of the Bonds issued hereunder to the respective Holders thereof, at the time and place, from the source and in the manner expressed in the Bonds and in this Bond Resolution and the Applicable Supplemental Resolution.

SECTION 9.07. Termination of Proceedings.

In case the Trustee or a Holder of a Bond in default shall have proceeded to enforce any right under this Bond Resolution by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or such Holder, then and in every such case the Authority, the Trustee and the Holders of Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee and the Holders shall continue as if no such proceedings had been taken.

SECTION 9.08. Waivers of Events of Default.

The Trustee may, and upon the written request of the Holders of 50% in aggregate principal amount of all Bonds in default then Outstanding shall, waive any Event of Default that shall have been remedied before the completion of the enforcement of any remedy under this Bond Resolution; but no such waiver shall extend to any subsequent or other Event of Default or impair any rights consequent thereon.

SECTION 9.09. Notice of Certain Defaults; Opportunity of Authority to Cure Defaults.

Anything herein to the contrary notwithstanding, no Default under Section 9.01(e) hereof shall constitute an Event of Default until actual notice of such Default shall be given to the Authority, by registered or certified mail, by the Trustee or the Holders of not less than 25% in aggregate principal amount of all Bonds then Outstanding, and the Authority shall not have corrected the Default or caused the Default to be corrected within thirty (30) days following the giving of such notice; provided, however, that if the Default be such that it is correctable but cannot be so corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within the applicable period and diligently pursued until the Default is corrected.

The Authority hereby grants to the Trustee full authority for the account of the Authority (but the Trustee shall have no obligation) to observe or perform any duty, covenant, obligation or agreement in any alleged Default concerning which notice is given to the Authority under the provisions of this Section 9.09 in the name and stead of the Authority, with full power to do any and all things and acts to the same extent that the Authority could do and to perform any such things and acts and with full power of substitution.

ARTICLE X

THE FIDUCIARIES

SECTION 10.01. Appointments, Duties, Immunities and Liabilities of Trustee.

[Name of Trustee], a national banking institution authorized and acting under the laws of the United States of America and further authorized to conduct business in the State, where such bank acts as trustee (the "Trustee"), has been appointed as Trustee hereunder by the Authority. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Bond Resolution, the Company Lease Agreement, the County Guaranty Agreement, and all other Program Documents by executing and delivering to the Authority a written acceptance thereof, and, by executing such acceptance, the Trustee shall be deemed to have accepted such duties and obligations with respect to all the Bonds thereafter to be validly issued, but only, however, upon the terms and conditions set forth in this Bond Resolution and in such other Program Documents.

SECTION 10.02. Paying Agents; Appointments.

1. The Trustee is hereby appointed Paying Agent for the Series 2011 Bonds. The Authority shall appoint one or more Paying Agents for the Bonds of each additional Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 10.13 hereof for a successor Paying Agent.

2. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Bond Resolution by executing and delivering to the Authority and to the Trustee a written acceptance thereof.

3. Unless otherwise provided, the principal corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the Authority for the payment of the principal or Redemption Price, if any, of and the interest on the Bonds.

4. The Authority may enter into agreements with any Paying Agent providing for the payment to the Authority of amounts in respect of interest earned on moneys held by such Paying Agent for the payment of principal or Redemption Price, if any, of and the interest on the Bonds. Any such payments to the Authority shall be deposited in the Revenue Fund and applied as Revenues.

SECTION 10.03. Responsibilities of Fiduciaries.

1. The recitals of fact contained herein and in the Bonds 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 representation as to the validity or sufficiency of this Bond Resolution or of any Bonds issued hereunder or as to the security afforded hereby, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible

for its representation contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Authority or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act that 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 by the Authority or the Local Unit. Subject to the provisions of subsection (2) of this Section 10.03, no Fiduciary shall be liable in connection with the observance and performance of its duties and obligations hereunder except for its own negligence or willful misconduct.

2. The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, undertakes to perform such duties and obligations and only such duties and obligations as are specifically set forth in this Bond Resolution. In case an Event of Default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers invested in it by this Bond Resolution, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of this Bond Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may conclusively rely shall be subject to the provisions of this Section 10.03.

SECTION 10.04. Evidence Upon Which Fiduciaries May Act.

1. Each Fiduciary, upon receipt of any written notice, Supplemental Resolution, written request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Bond Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Bond Resolution and shall be protected in acting upon any such instrument believed by it 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 any Fiduciary under this Bond Resolution in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Bond Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of an Authorized Officer of the Authority, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Bond Resolution upon the faith thereof.

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

4. Whenever any Fiduciary shall receive any written notice, Supplemental Resolution, written request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it via telecopy pursuant to any provision of this Bond Resolution, the Fiduciary shall accept same; provided, however, that the original of any notice, Supplemental Resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of this Bond Resolution be shall be forwarded to the Fiduciary immediately thereafter.

SECTION 10.05. Compensation.

The Authority shall pay each Fiduciary from time to time reasonable compensation for all services rendered under this Bond Resolution, including, without limitation, the services rendered pursuant to Section 12.01 hereof, and also all reasonable expenses incurred in and about the performance of their powers and duties under this Bond Resolution, and each Fiduciary shall have a lien therefor on any and all Funds and Accounts at any time held by it under this Bond Resolution. Subject to the provisions of Section 10.03 hereof, each of the Authority and the Company further agrees to indemnify and save each Fiduciary harmless against any losses, liabilities or expenses (including legal fees) that it may incur in the exercise and performance of its powers, duties and obligations hereunder that are not due to its negligence or willful misconduct, and such indemnity shall survive the payment of the Bonds and the discharge of this Bond Resolution and the resignation or removal of the Trustee.

SECTION 10.06. Certain Permitted Acts.

Any Fiduciary may become the Holder of any Bonds with the same rights that it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Bond Resolution, whether or not any such committee shall represent the Holders of a majority in aggregate principal amount of the Bonds then Outstanding.

SECTION 10.07. Resignation of Trustee.

The Trustee may at any time resign and be discharged of the duties and obligations created by this Bond Resolution by giving not less than sixty (60) days' written notice to the Authority, and mailing notice thereof to the Holders of the Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Authority or the Bondholders as provided in Section 10.09 hereof, in which event such resignation shall take effect immediately upon the appointment of such successor, or unless a successor shall not have been appointed by the Authority or the Bondholders as provided in Section 10.09 hereof on that date, in which event such resignation shall not take effect until a successor is appointed.

SECTION 10.08. Removal of Trustee.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee and signed by the Holders of a majority in aggregate principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority. So long as no Event of Default or any event that, 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 (as determined in the sole judgment of the Authority) by a resolution of the Authority filed with the Trustee.

SECTION 10.09. Appointment of Successor Trustee.

1. In case at any time the Trustee shall resign, be removed or 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 Officer of the Authority. However, if the Authority does not appoint a successor Trustee within forty-five (45) days, the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, may appoint a successor Trustee by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or 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 made by it or the Bondholders to the Holders of all Bonds then Outstanding.

2. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 10.09 within forty-five (45) days after the Trustee shall have given to the Authority written notice as provided in Section 10.07 hereof or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

3. Any Trustee appointed pursuant to the provisions of this Section 10.09 in succession to the Trustee shall be a bank or trust company or national banking association doing business and having its principal office in the City and State of New York or the State and having capital stock and surplus 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 of the duties imposed upon it by this Bond Resolution.

SECTION 10.10. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under this Bond Resolution shall execute, acknowledge and deliver to its predecessor Trustee and 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 of the moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee hereunder; but the Trustee ceasing to act shall nevertheless, on the written request of the Authority or 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 in and confirming to such successor Trustee all of the right, title and interest of the predecessor Trustee in and to any property held by it under this Bond Resolution, and such predecessor Trustee shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify the Paying Agent of its appointment as Trustee.

SECTION 10.11. 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 (i) shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association and (ii) shall be authorized by law to perform all of the duties imposed upon it by this Bond Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

SECTION 10.12. Adoption of Authentication.

In case any of the Bonds contemplated to be issued under this Bond Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee or in the name of the successor Trustee, and in all such cases such certificate of authentication shall have the same force and effect that it is anywhere in said Bonds or in this Bond Resolution.

SECTION 10.13. Resignation or Removal of Paying Agent; Appointment of Successor.

1. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Bond Resolution by giving at least sixty (60) days' written notice to the Authority, the Trustee and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the Authority. Any successor Paying Agent shall be appointed by the Authority with the approval of the Trustee, and shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association and having capital stock and surplus aggregating at least $20,000,000, and be willing and able to accept the office on reasonable and customary terms and authorized by law to perform all of the duties imposed upon it by this Bond Resolution.

2. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent 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, the Trustee shall act as such Paying Agent.

ARTICLE XI

AMENDMENTS

SECTION 11.01. Supplemental Resolutions Effective Upon Filing With 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 Officer of the Authority, shall be fully effective in accordance with its terms:

1. To close this Bond Resolution against, or provide limitations and restrictions contained in this Bond Resolution on, the authentication and delivery of Bonds;

2. To add to the duties, covenants, obligations and agreements of the Authority in this Bond Resolution, other duties, covenants, obligations and agreements to be observed and performed by the Authority that are not contrary to or inconsistent with this Bond Resolution as theretofore in effect, including without limitation the terms and conditions of the Series 2011B Bonds upon delivery of the Certificate of an Authorized Officer of the Authority pursuant to Section 2.02(1)(e) hereof;

3. To add to the limitations and restrictions in this Bond Resolution, other limitations and restrictions to be observed by the Authority that are not contrary to or inconsistent with this Bond Resolution as theretofore in effect;

4. To authorize Bonds of a Series and, in connection therewith, to specify and determine the matters and things referred to in Article II hereof and any other matters and things relative to such Bonds, including whether to issue Bonds in book-entry form, that are not contrary to or inconsistent with this Bond Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination contained in Article II hereof at any time prior to the first authentication and delivery of such Series of Bonds;

5. To confirm, as further assurance, any security interest, pledge or assignment under this Bond Resolution and the subjection of the Revenues or of any other moneys, securities or funds to any security interest, pledge or assignment created or to be created by this Bond Resolution;

6. To modify any of the provisions of this Bond Resolution in any other respect whatsoever; provided, however, that (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;

7. To modify any of the provisions of this Bond Resolution in any respect provided that the modifications affect only Bonds issued subsequent to the date of such modifications;

8. To comply with the provisions of any federal or state securities law, including, without limitation, the Trust Indenture Act of 1939, as amended, or to comply with Section 103 of the Code, as amended, replaced or substituted, with respect to any Series of Additional Bonds constituting Tax-exempt Bonds;

9. To modify any provision of this Bond Resolution relating to the County Security Fund and the County Security Fund Requirement, including without limitation Section 5.07 hereof and Exhibit B hereto;

10. To implement one or more replacement Local Unit Facilities and Projects for the Series 2011 Local Units, all in accordance with the provisions of Section 4.6 of the Power Purchase Agreement; or

11. To provide for any terms and conditions of the DOE Grant and the execution and delivery of a Certificate of an Authorized Officer of the Authority executed pursuant to Section 2.02(1)(e)(vi) hereof.

Any Rating Agency rating the Series 2011 Bonds must receive notice of each Supplemental Resolution and a copy thereof at least fifteen (15) days in advance of its execution or adoption.

SECTION 11.02. 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 Officer of the Authority, and (ii) the filing with the Authority of an instrument 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 this Bond Resolution;

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

3. To make any other modification or amendment of this Bond Resolution that will not have a material adverse effect on the interests of Bondholders.

In making any determination under this Section 11.02, the Trustee may conclusively rely upon an opinion of Counsel.

SECTION 11.03. Supplemental Resolutions Effective With Consent of Bondholders.

At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by the Bondholders in accordance with and subject to the provisions of Sections 11.06 and 11.07 hereof, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority and upon compliance with the provisions of Sections 11.06 and 11.07 hereof, shall become fully effective in accordance with its terms as provided in Section 11.07 hereof; provided, however, any Supplemental Resolution that, by its terms, only affects one or more Series of Bonds may be adopted subject solely to the consent of the Holders of such Series of Bonds so affected.

SECTION 11.04. General Provisions.

1. This Bond Resolution shall not be modified or amended in any respect except by a Supplemental Resolution as provided in, in accordance with and subject to the provisions of this Article XI. Nothing contained in this 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 this Bond Resolution or the right or obligation of the Authority to execute and deliver to any Trustee any instrument that it is elsewhere provided in this Bond Resolution shall be delivered to said Trustee.

2. Any Supplemental Resolution referred to in and permitted or authorized by Section 11.01 or 11.02 hereof may be adopted by the Authority without the consent of any Bondholder, but shall become effective only on the conditions, to the extent and at the times provided in Section 11.01 or 11.02, respectively. Every Supplemental Resolution filed with the Trustee shall be accompanied by an opinion of Counsel stating that such Supplemental Resolution has been duly and lawfully adopted by the Authority in accordance with the terms and provisions of this Bond Resolution, is authorized or permitted by this Bond Resolution, and is valid and binding upon the Authority in accordance with its terms.

3. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to in and permitted or authorized by Section 11.01, 11.02 or 11.03 hereof and to make all further agreements and stipulations that may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying upon an opinion of Counsel that such Supplemental Resolution is authorized or permitted by the terms and provisions of this Bond Resolution.

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

SECTION 11.05. Mailing.

Any provision in this Article XI for the mailing of a notice or other paper to Holders of Bonds shall be fully complied with if it is mailed, postage prepaid only, to each Registered Owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the Authority.

SECTION 11.06. Powers of Amendment by Supplemental Resolution.

Unless otherwise permitted under Section 11.01 or 11.02 hereof, any modification or amendment of this Bond Resolution and of the rights and obligations of the Authority and the Holders of Bonds hereunder, in any particular, may be made only by a Supplemental Resolution with the written consent (i) of the Holders of not less than two-thirds (2/3) in aggregate principal amount of the Bonds Outstanding at the time such consent is given, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of not less than two-thirds (2/3) in aggregate principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, and (iii) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of not less than two-thirds (2/3) in aggregate principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required, and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 11.06. No such modification or amendment shall (i) permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond 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 obligation, (ii) reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or (iii) change or modify any of the rights or obligations of any Trustee without its written assent thereto. For the purposes of this Section 11.06, a Series shall be deemed to be affected by a modification or amendment of this Bond Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may, in its discretion, determine whether or not, in accordance with the foregoing powers of amendment, Bonds of any particular Series or maturity would be affected by any modification or amendment of this Bond Resolution, and any such determination shall be binding and conclusive upon the Authority and all Holders of Bonds. For purposes of this Section 11.06, the Holders of any Bonds may include the initial Holders thereof, regardless of whether or not such Bonds are being held for resale.

SECTION 11.07. Consent of Bondholders.

The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 11.06 hereof to take effect when and as

provided in this Section 11.07. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Holders of Bonds for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to Holders of Bonds (but failure to mail such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section 11.07 provided). Such Supplemental Resolution shall not be effective unless and until there shall have been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds specified in Section 11.06 hereof and (b) an opinion of Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the terms and provisions of this Bond Resolution, is authorized or permitted by this Bond Resolution, and is valid and binding upon the Authority in accordance with its terms. It shall not be necessary that the consents of the Holders of Bonds approve the particular form of wording of the proposed modification or amendment or of the proposed Supplemental Resolution effecting such modification or amendment, but it shall be sufficient if such consents approve the substance of the proposed amendment or modification. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 12.02 hereof. A certificate or certificates executed by the Trustee and filed with the Authority stating that the Trustee has examined such proof and that such proof is sufficient in accordance with Section 12.02 hereof shall be conclusive evidence that the consents have been given by the Holders of the Bonds described in such certificate or certificates. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 12.02 hereof to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or by a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee is filed (as hereinafter provided for in this Section 11.07), such revocation and proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 12.02 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 Bonds shall have filed their consents to the Supplemental Resolution as hereinabove provided, the Trustee shall make and file with the Authority a written statement that the Holders of such required percentages of such Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will become effective as provided in this Section 11.07 may be given to Bondholders by the Authority by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 11.07 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 11.07 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 Bonds at the expiration of forty (40) days after the filing with the Trustee of proof of the mailings of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that the Authority and any Fiduciary 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 its absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as it may deem expedient.

SECTION 11.08. Modifications or Amendments by Unanimous Consent.

The terms and provisions of this Bond Resolution and the rights and obligations of the Authority and of the Holders of Bonds hereunder 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 Bonds then Outstanding, such consent to be given as provided in Section 11.07 hereof, except that no notice to Holders of Bonds either by mail or publication 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 Holders of Bonds.

SECTION 11.09. Exclusion of Bonds.

Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or for any calculation of Outstanding Bonds provided for in this Article XI, and the Authority shall not be entitled with respect to such Bonds to give any consent or to take any other action provided for in this Article XI. At the time of any consent or other action taken under this Article XI, the Authority shall furnish the Trustee a Certificate of an Authorized Officer of the Authority, upon which the Trustee may conclusively rely, describing all Bonds to be so excluded.

SECTION 11.10. Notation on Bonds.

Bonds authenticated and delivered after the effective date of any Supplemental Resolution adopted pursuant to this Article XI may, and, if the Authority so determines, shall, bear a notation by endorsement or otherwise in form approved by the Authority as to any modification or amendment provided for in such Supplemental Resolution, and, in that case, upon demand of the Holder of any Bond then Outstanding and upon presentation of any Bond for such purpose at the Principal Office of the Trustee, a suitable notation shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as to conform, in the opinion of the Authority, to any modification or amendment contained in such Supplemental Resolution shall be prepared, authenticated and delivered and, upon demand of the Holder of any Bond then

Outstanding, shall be exchanged upon surrender of such Bonds, without cost to such Holder, for Bonds of the same Series, principal amount, maturity and interest rate then Outstanding. Any action taken as provided in Article X hereof or in this Article XI shall be effective and binding upon all Holders of Bonds notwithstanding that the notation is not endorsed on all Bonds.

SECTION 11.11. Effect of Supplemental Resolutions.

Upon the effective date of any Supplemental Resolution, this Bond Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, covenants, obligations and agreements under this Bond Resolution of the Authority, the Trustee and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all of the terms and conditions of any such Supplemental Resolution shall be deemed to be part of the terms and conditions of this Bond Resolution for any and all purposes.

SECTION 11.12. Notice of Amendments.

Promptly after the adoption by the Authority of any Supplemental Resolution, the Trustee shall mail a notice, setting forth in general terms the substance of such amendment or modification, to the Holders of any Series of Bonds so affected thereby, and to the other Renewable Energy Program Interested Parties. However, any failure to give such notice, or any defect therein, shall not in any way impair or affect the validity of any such Supplemental Resolution.

ARTICLE XII

DEFEASANCE

SECTION 12.01. Defeasance of Bonds.

1. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds of any Series the principal or Redemption Price, if applicable, thereof and the interest due or to become due thereon at the times and in the manner stipulated therein and in this Bond Resolution, then the pledge of the Trust Estate and all duties, covenants, agreements and other obligations of the Authority to the Holders of such Bonds 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 Trustee shall pay over or deliver to the Authority all moneys or securities held by it pursuant to this Bond Resolution that are not required for the payment of the principal or Redemption Price, if applicable, of and the interest due or to become due on the Bonds of any Series 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 any Outstanding Bonds of any Series the principal or Redemption Price, if applicable, thereof and the interest due or to become due thereon at the times and in the manner stipulated therein and in this Bond Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under this Bond Resolution, and all duties, covenants, agreements and other obligations of the Authority to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Notwithstanding any other provision in this Article XII, all duties, covenants, agreements and other obligations of the Authority to the Holders of Bonds relating to the exclusion of interest from gross income of the Holders thereof for federal income tax purposes shall survive the defeasance of the Bonds.

2. Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust by the Paying Agent (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 12.01. Subject to the provisions of subsections (3), (4) and (5) of this Section 12.01, Outstanding Bonds of any Series or Outstanding Bonds of any maturity within any Series 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 12.01 if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee instructions in writing accepted by the Trustee to mail notice of redemption of such Bonds (other than Bonds of a Series that have been purchased by the Trustee at the written 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

in an amount that shall be sufficient or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) the principal of and the interest on which, when due, will provide moneys that, 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, of and the interest due and to become due on such Series of Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event such Series of Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, instructions to mail, as soon as practicable, a notice to the Holders of such Bonds at their last addresses appearing upon the registry books at the close of business on the last Business Day of the month preceding the month for which notice is mailed that the deposit required by clause (b) above has been made with the Trustee and that such Series of Bonds are deemed to have been paid in accordance with this Section 12.01 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection (5) of this Section 12.01, to be available for the payment of the principal or Redemption Price, if applicable, of and the interest due and to become due on such Series of Bonds (other than Bonds that have been purchased by the Trustee at the written 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 any Series of Bonds, which notice relates to a redemption contemplating less than all of the Outstanding Bonds of any maturity within a Series being redeemed, shall specify the letter and number or other distinguishing mark of each such Bond to be so redeemed. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to this Section 12.01 to the retirement of said Bonds in amounts equal to the unsatisfied balances of any Sinking Fund Installments with respect to such Bonds, all in the manner provided in this Bond Resolution.

The Trustee shall, if so directed in writing by the Authority (i) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 12.01 that are not to be redeemed prior to their maturity or (ii) prior to the mailing of the notice of redemption referred to in clause (a) above with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 that are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee with respect to such Bonds and redeem or sell Investment Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds, and the Trustee shall immediately thereafter cancel all such Bonds so purchased; provided, however, that the moneys and Investment Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient to pay, when due, the principal or Redemption Price, if applicable, of and the interest due or to become due on all Bonds with respect to which such moneys and Investment Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time (i) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 12.01 that are not to be redeemed prior to their maturity or (ii) prior to the mailing of the notice of redemption referred to in clause (a) above with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 that are to be redeemed on any date prior to their maturity,

the Authority shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from the Authority to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with this Section 12.01. The directions given by the Authority to the Trustee referred to in the preceding sentence shall also specify (i) the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 12.01 upon their maturity date or dates and (ii) the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 12.01 on any date or dates prior to their maturity. In the event that on any date, as a result of any purchases, acquisitions and cancellations of Bonds as provided in this Section 12.01, the total amount of moneys and Investment Securities remaining on deposit with the Trustee under this Section 12.01 is in excess of the total amount that would have been required to be deposited with the Trustee on such date with respect to the remaining Bonds of such Series in order to satisfy clause (b) of this subsection (2) of Section 12.01, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Bond Resolution. Except as otherwise provided in this subsection (2) and in subsections (3), (4) and (5) of this Section 12.01, neither moneys nor Investment Securities deposited with the Trustee pursuant to this Section 12.01 nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, of and the interest on said Bonds; provided, however, that any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, (A) to the extent such cash will not be required 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 Bonds or otherwise existing under this Bond Resolution, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Investment Securities maturing at times and in amounts sufficient to pay, when due, the principal or Redemption Price, if applicable, of and the interest to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and any interest earned from such reinvestments shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Bond Resolution.

For the purposes of this Section 12.01, Investment Securities shall mean and include only (y) such securities as are described in clause (i) of the definition of "Investment Securities" in Section 1.01 hereof and that are not subject to redemption prior to their maturity other than at the option of the issuer thereof, or (z) upon compliance with the provisions of subsection (3) of this Section 12.01, such securities as are described in clause (i) of the definition of "Investment Securities" and that are subject to redemption prior to their maturity at the option of the issuer

thereof on a specified date or dates. In the event of an advance refunding, the Authority shall cause to be delivered a verification report of an Independent Public Accountant.

3. Investment Securities described in clause (z) of subsection (2) of this Section 12.01 may be included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection (2) of this Section 12.01 if and only if, in making the determination as to whether the moneys and Investment Securities to be deposited with the Trustee would be sufficient to pay, when due, the principal or Redemption Price, if applicable, of and the interest due and to become due on the Bonds that will be deemed to have been paid as provided in subsection (2) of this Section 12.01, such determination is made both (i) on the assumption that the Investment Securities described in said clause (z) were not redeemed at the option of the issuer thereof prior to their maturity date and (ii) on the assumption that such Investment Securities were redeemed by the issuer thereof at its option on each date on which such option could be exercised, that as of such date or dates interest ceased to accrue on such Investment Securities, and that the proceeds of such redemption were not reinvested by the Trustee.

4. In the event that, after compliance with the provisions of subsection (3) of this Section 12.01, the Investment Securities described in clause (z) of subsection (2) of this Section 12.01 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection (2) of this Section 12.01 and any such Investment Securities are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee, at the written direction of the Authority, shall reinvest the proceeds of such redemption in Investment Securities; provided, however, that the aggregate of the moneys and Investment Securities to be held by the Trustee, taking into account any changes in redemption dates or instructions to give notice of redemption given to the Trustee by the Authority in accordance with subsection (5) of this Section 12.01, shall at all times be sufficient to satisfy the requirements of clause (b) of subsection (2) of this Section 12.01.

5. In the event that, after compliance with the provisions of subsection (3) of this Section 12.01, the Investment Securities described in clause (z) of subsection (2) of this Section 12.01 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection (2) of this Section 12.01, then any notice of redemption to be mailed by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the Authority, that (i) any redemption date or dates with respect to all or any portion of the Bonds to be redeemed on such date or dates may, at the option of the Authority, be changed to any other permissible redemption date or dates, and (ii) redemption dates may be established for any Bonds deemed to have been paid in accordance with this Section 12.01 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment Securities described in clause (z) of subsection (2) of this Section 12.01 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to their maturity date. No such change of redemption dates or establishment of redemption dates may be made unless, taking into account such changed redemption dates or

newly established redemption dates, the moneys and Investment Securities on deposit with the Trustee (including any Investment Securities deposited with the Trustee in connection with any reinvestment of redemption proceeds in accordance with subsection (4) of this Section 12.01) pursuant to clause (b) of subsection (2) of this Section 12.01 would be sufficient to pay, when due, the principal and Redemption Price, if applicable, of and the interest on all Bonds deemed to have been paid in accordance with subsection (2) of this Section 12.01.

6. Anything in this Bond Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any Bonds that remain unclaimed after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the fiduciaries at such date, or after the date of deposit of such moneys if deposited with the fiduciaries after the said date when such Bonds became due and payable, shall, be applied, when and as provided in the Uniform Unclaimed Property Act, *N.J.S.A.* 46:30B-1 *et seq*., and the fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall have such rights as are provided in said Uniform Unclaimed Property Act.

SECTION 12.02. Evidence of Signatures and Ownership of Bonds.

1. Any request, consent, revocation of consent or other instrument that this Bond Resolution or any Supplemental Resolution may require or permit to be signed and executed by the Holders of Bonds of any Series may be in one or more instruments of similar tenor, and shall be signed or executed by such Holders of Bonds in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, shall be sufficient for any purpose of this Bond Resolution or any Supplemental Resolution (except as otherwise expressly provided therein) 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. The fact and date of the execution of such instruments by any Holder of any Bond or his attorney may be proved by a guarantee of the signature thereon by a bank or trust company or at the discretion of the Trustee, by a 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 by 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 ownership of Bonds and the amount, numbers, other identification and date of holding the same shall be proved by the registry books maintained by the Authority and kept by the Trustee.

3. Any request or consent by the Holder of any Bond shall be binding on all future Owners of such Bond with respect to anything done or suffered to be done by the Authority or any Trustee in accordance therewith.

SECTION 12.03. Moneys Held for Particular Bonds.

The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.01. Liability of Authority Limited to Trust Estate.

Notwithstanding anything to the contrary contained in this Bond Resolution or in the Bonds, the Authority shall not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes in this Bond Resolution, whether for the payment of the principal or Redemption Price, if any, of or the interest on the Bonds or for any other purpose hereof. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority that may be made available to it for such purposes.

SECTION 13.02. Successor Is Deemed Included in All References to Predecessor.

Whenever in this Bond Resolution either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all of the duties, covenants, obligations and agreements contained in this Bond Resolution by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof, whether so expressed or not.

SECTION 13.03. Limitation of Rights to Parties.

Nothing expressed or implied in this Bond Resolution or in the Bonds is intended or shall be construed to give to any person, other than the Authority, the Trustee, the Paying Agent and the Holders of Bonds, any legal or equitable right, remedy or claim under or with respect to this Bond Resolution or any duty, covenant, obligation, agreement, condition or provision herein or therein contained; and all of such duties, covenants, obligations, agreements, conditions and provisions are and shall be for the sole and exclusive benefit of the Authority, the Trustee, the Paying Agent and the Holders of Bonds.

SECTION 13.04. Waiver of Notice.

Whenever in this Bond Resolution the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice, and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 13.05. Destruction of Bonds.

Whenever in this Bond Resolution provision is made for the cancellation of any Bonds by the Trustee and the delivery thereof to the Authority, unless otherwise requested in writing by the Authority, in lieu of such cancellation and delivery, the Trustee shall destroy such Bonds (in

the presence of an officer of the Authority, if the Authority shall so require) and deliver a certificate of such destruction to the Authority.

SECTION 13.06. Severability of Invalid Provisions.

If any one or more of the provisions contained in this Bond Resolution shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained herein, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Bond Resolution shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Bond Resolution and each and every section, paragraph, sentence, clause or phrase hereof, and authorized the issuance of the Bonds pursuant hereto, irrespective of the fact that any one or more of the sections, paragraphs, sentences, clauses or phrases of this Bond Resolution may be held illegal, invalid or unenforceable.

SECTION 13.07. Notices.

1. Any notices, certificates or other communications required or permitted to be given herein shall be in writing (unless otherwise specifically required or permitted herein) and shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the Authority, the County, the Company, the Series 2011 Local Units, the Trustee, the Paying Agent and the Rating Agency at the addresses set forth below:

(a) Authority: Morris County Improvement Authority
Administration and Records Building
P.O. Box 900
Morristown, NJ 07963-0900
Attention: Chairman

With a copy to: Stephen B. Pearlman, Esq.
Inglesino, Pearlman, Wyciskala & Taylor, LLC
600 Parsippany Road, Suite 204
Parsippany, NJ 07054

(b) County: County of Morris, New Jersey
Administration and Records Building
P.O. Box 900
Morristown, NJ 07963-0900
Attention: County Administrator

(c) Company: [Company]
[_____]

With a copy to:

(d) Series 2011 Local Units: See Exhibit A-4 to the Company Lease Agreement

(e) County Security Provider: None

(f) Trustee and Paying Agent: [Name of Trustee]

With a copy to:

(g) Rating Agency: Moody's Investor Service
99 Church Street
New York, New York 10007-2796

The Authority, the County, the Company, the Series 2011 Local Units, the County Security Provider, the Trustee, the Paying Agent and the Rating Agency may designate any further or different address to which subsequent notices and communications shall be sent by giving notice thereof to the other parties hereto.

2. Whenever any provision hereof requires that notice be sent to the Authority or the Series 2011 Local Unit or the Company, a copy of such notice shall also be sent to the County at the address set forth in Section 13.07(1)(b) hereof.

SECTION 13.08. Disqualified Bonds.

In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Bond Resolution, Bonds that are owned or held by or for the account of the Authority, the Company, or any other primary or secondary obligor on the Company Lease Agreement, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority, the Company or any other primary or secondary obligor on the Company Lease Agreement, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned that have been pledged in good faith may be regarded as Outstanding for the purpose of this Section 13.08 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly

or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority, the Company or any other primary or secondary obligor on the Company Lease Agreement. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of Counsel shall be full protection to the Trustee.

SECTION 13.09. Funds and Accounts.

Any Fund, Account or subaccount required by this Bond Resolution to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as a fund, an account or a subaccount, and, for the purposes of such records, any audits thereof and any reports or statements with respect thereto may be treated either as a fund, an account or a subaccount; but all such records with respect to all such Funds, Accounts or subaccounts shall at all times be maintained in accordance with generally accepted accounting principles to the extent practicable.

SECTION 13.10. Waiver of Personal Liability.

No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal or Redemption Price, if any, of or the interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof, all such liability, if any, being expressly waived and released by each Holder of Bonds by the acceptance of such Bonds, but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by this Bond Resolution or by law.

SECTION 13.11. Authority Protected in Acting in Good Faith.

In the exercise of the powers of the Authority and its members, officers, agents and employees under this Bond Resolution, the Company Lease Agreement or any other document executed in connection with the Bonds, the Authority shall not be accountable to the Company, the Trustee, the Paying Agent, any Bondholder or any other Renewable Energy Program Interested Party for any action taken or omitted in good faith by it or its members, officers, agents and employees and believed by it or them to be authorized or within the discretion or rights or powers conferred thereon.

SECTION 13.12. Business Days.

Except as otherwise specifically provided in this Bond Resolution, if any date specified herein for the payment of any Bond or the performance of any act shall not be a Business Day at the place of payment or performance, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date, and in case any payment of the principal or Redemption Price, if any, of or the interest on any Bond shall be due on a date that is not a Business Day, interest on such principal amount shall cease to accrue on the date on

which such payment was due if such payment is made on the immediately succeeding Business Day.

ARTICLE XIV

BOND FORM AND EFFECTIVE DATE

SECTION 14.01. Form of Bonds, Trustee's Certificate of Authentication and County Guaranty Certificate.

Subject to the provisions of this Bond Resolution, the form of the Series 2011 Bonds and any other Series of Bonds designated by Supplemental Resolution, with any appropriate changes as set forth in any such Supplemental Resolution, the Trustee's certificate of authentication and the County Guaranty Certificate, shall be in substantially the following form:

[FORM OF BOND]

UNITED STATES OF AMERICA

STATE OF NEW JERSEY

COUNTY OF MORRIS

THE MORRIS COUNTY IMPROVEMENT AUTHORITY

COUNTY OF MORRIS GUARANTEED
RENEWABLE ENERGY PROGRAM LEASE REVENUE BONDS, SERIES 2011[A/B]

No. R[A/B]-__ CUSIP: [____]___

Interest Rate	Maturity Date	Dated Date	Authentication Date
%	May 1, 20__	November __, 2011	November __, 2011

Registered Owner: CEDE & CO.

Principal Sum: [____] DOLLARS ($[___])

THE MORRIS COUNTY IMPROVEMENT AUTHORITY (the "Authority"), a public body corporate and politic created and existing under the laws of the State of New Jersey, including the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (the "Act"), acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner stated hereon or its registered assigns, on the Maturity Date stated hereon, but solely from the funds pledged therefor, upon presentation and surrender of this bond at the principal corporate trust office of [Name of Trustee] (such bank and any successors thereto being herein called the "Trustee" and "Paying Agent"), the Principal Sum stated hereon in any coin or currency of the United States of America that at the time of such payment is legal tender for the payment of public and private debts, and to pay from such pledged funds on May 1 and November 1 in each year, commencing [May 1, 2013/November 1, 2013], until the Authority's obligation with respect to the payment of such Principal Sum shall be discharged to the Registered Owner hereof, interest from the Dated Date stated hereon on such Principal Sum by check or draft of the Paying Agent mailed to such Registered Owner who shall appear as of the first day (whether or not such day shall be a Business Day) of the month in which such interest payment date occurs on the books of the Authority maintained by the Trustee. However, so long as the Series 2011[A/B] Bonds (as hereinafter defined) are held in book-entry form pursuant to the Bond Resolution (as hereinafter defined), the provisions of the Bond Resolution governing

such book-entry form shall govern the repayment of the principal or Redemption Price of and the interest on the Series 2011[A/B] Bonds.

This bond is one of a duly authorized Series of Bonds of the Authority designated "County of Morris Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2011[A/B]" (herein called the "Series 2011[A/B] Bonds"), in the aggregate principal amount of [$_____/$_____] (not exceeding $52,000,000) issued under and in full compliance with the Constitution and statutes of the State of New Jersey, including the Act, and under and pursuant to a resolution of the Authority authorizing the Series 2011 Bonds (as hereinafter defined) adopted on [August __, 2011] and entitled "Resolution Authorizing the Issuance of County of Morris Guaranteed Renewable Energy Program Lease Revenue Notes and Bonds, Series 2011 and Additional Bonds of The Morris County Improvement Authority", as amended by a Certificate of an Authorized Officer of the Authority dated [November __, 2011], [as shall be further amended by a Certificate of an Authorized Officer of the Authority in connection with the Series 2011B Bonds/as further amended by a Certificate of an Authorized Officer of the Authority dated _____, 2011] in connection with the Series 2011B Bonds and executed in connection with Section 2.02(1)(e) of said resolution (together with any further amendments thereof or supplements thereto, the "Bond Resolution"). [On November __, 2011] the Authority issued/No later than _____, the Authority has covenanted to issue] its "County of Morris Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2011[A/B]" in the aggregate principal amount of [$_____/$_____] (the "Series 2011[A/B] Bonds" and together with the Series 2011[A/B] Bonds, the "Series 2011 Bonds").

All capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Bond Resolution.

As provided in the Bond Resolution, the Series 2011 Bonds, and all other bonds issued on a parity with the Series 2011 Bonds under the Bond Resolution (herein collectively called the "Bonds"), are special and limited obligations of the Authority payable solely from, and secured as to the payment of the principal or Redemption Price thereof and the interest thereon in accordance with their terms and the provisions of the Bond Resolution solely by, the Trust Estate, subject only to the provisions of the Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Resolution.

The Trust Estate under the Bond Resolution includes (i) certain of the Authority's right, title and interest in and to that certain Company Lease Agreement (Morris County Renewable Energy Program, Series 2011) dated as of November 1, 2011 (the "Company Lease Agreement") by and between the Authority and [Company], a Delaware limited liability company (the "Company"), including, without limitation, the Basic Lease Payments and certain Additional Lease Payments earmarked for the Purchase Option Price or the Mandatory Purchase Price (collectively the "Lease Payments") by the Company as defined in and contemplated by the Company Lease Agreement, (ii) with respect to the payment of the principal of and the interest on the Series 2011 Bonds only, payments made by the County under its guaranty ordinance finally adopted on _____, 2011, as amended and supplemented, all in accordance with

Section 37 of the Act (N.J.S.A. 40:37A-80) and other applicable law, the guaranty certificate executed by an Authorized Officer of the County on the face of each Series 2011 Bond, and that certain County Guaranty Agreement (Morris County Renewable Energy Program, Series 2011) dated as of November 1, 2011 (the "County Guaranty Agreement") between the Authority and the County (collectively, the "County Guaranty"), and (iii) all other Funds and Accounts established under the Bond Resolution (other than the Administrative Fund and the County Security Fund, if any), including Investment Securities held in any such Fund thereunder, together with all of the proceeds and revenues of the foregoing, and (iv) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and the interest on the Series 2011 Bonds in accordance with the terms and provisions of the Bond Resolution.

Copies of the Bond Resolution are on file at the office of the Authority and at the above-mentioned office of the Trustee, and reference is hereby made to the Act and to the Bond Resolution (including any and all supplements thereto and modifications and amendments thereof) for a description of the pledge, assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the Bondholders with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, the terms and provisions upon which this bond shall cease to be entitled to any lien, benefit or security thereunder and for the other terms and provisions thereof. All duties, covenants, agreements and obligations of the Authority under the Bond Resolution may be discharged and satisfied at or prior to the maturity or redemption of this bond if moneys or certain specified securities shall have been deposited with the Trustee.

As provided in the Bond Resolution, Bonds may be issued from time to time pursuant to Supplemental Resolutions in one or more Series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Bond Resolution provided. The aggregate principal amount of Bonds that may be issued under the Bond Resolution is not limited, and all Bonds issued and to be issued under the Bond Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Bond Resolution.

To the extent and in the manner permitted by the terms of the Bond Resolution, the provisions of the Bond Resolution (including any resolution amendatory thereof or supplemental thereto) may be modified or amended by the Authority, (i) without the consent of the Bondholders as provided in the Bond Resolution or (ii) with the written consent of the Holders of at least two-thirds (2/3) in aggregate principal amount of the Bonds Outstanding under the Bond Resolution at the time such consent is given, and, in case less than all of the several Series of Bonds then Outstanding are affected thereby, with such consent of at least two-thirds (2/3) in aggregate principal amount of the Bonds 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 Bonds of any specified like Series and maturity remain Outstanding under the Bond Resolution, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds. 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 Bond 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 Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee or of the Paying Agent without its written assent thereto.

This bond is transferable, as provided in the Bond Resolution, only upon the books of the Authority kept for that purpose at the above-mentioned office of the Trustee, as bond registrar, by the Registered Owner hereof in person or such Registered Owner's duly authorized attorney in writing, upon surrender of this bond together with a written instrument of transfer satisfactory to the Trustee, as bond registrar, duly executed by the Registered Owner or such Registered Owner's duly authorized attorney, and thereupon a new fully registered bond or bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Bond Resolution and upon payment of the charges therein prescribed. The Authority, the Trustee and the Paying Agent may deem and treat the Registered Owner as the absolute Owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and the interest due hereon and for all other purposes.

The Series 2011 Bonds maturing on or before May 1, 20__ shall not be subject to optional redemption prior to their respective maturity dates. The Series 2011 Bonds maturing on and after May 1, 20__ shall be subject to redemption prior to their respective maturity dates, on or after May 1, 20__ at the option of the Authority, upon notice as described in the Bond Resolution, either in whole at any time, or in part on any Interest Payment Date in such order of maturity as the Authority shall determine and within a single maturity by lot, at a redemption price equal to one hundred percent (100%) of the principal amount to be redeemed, plus interest accrued to the date of redemption.

[The Series 2011A Bonds shall not be subject to extraordinary optional redemption prior to their stated maturities.] [The Series 2011B Bonds shall be subject to extraordinary optional redemption in whole prior to their respective maturity dates at an aggregate Redemption Price equal to one dollar ($1.00), if and only if (i) the County is the Holder of one hundred percent (100%) of the Outstanding principal amount of the Series 2011B Bonds, and (ii) the County so directs the Authority to call all of such Series 2011B Bonds for redemption on a redemption date and at such Redemption Price, all as authorized by, and pursuant to the terms of, Section 5(a) of the County Guaranty Agreement. Such redemption of the Series 2011B Bonds shall have no effect on the Series 2011A Bonds.]

[The Series 2011A Bonds maturing May 1, 20__ are subject to mandatory redemption prior to their stated maturities, through selection by the Trustee and upon the giving of notice as provided by the Bond Resolution, by payment of the following "Sinking Fund Installments" on May 1 of each year set forth in the table below, at a Redemption Price equal to one hundred percent (100%) of the principal amount to be redeemed, plus interest accrued to the date of redemption.

$_____ ____% Term Bond Due May 1, 20__, Yield ____%

Year	Sinking Fund Installment

_____
* Final Maturity

The Series 2011A Bonds maturing May 1, 20__ are subject to mandatory redemption prior to their stated maturities, through selection by the Trustee and upon the giving of notice as provided by the Bond Resolution, by payment of the following "Sinking Fund Installments" on May 1 of each year set forth in the table below, at a Redemption Price equal to one hundred percent (100%) of the principal amount to be redeemed, plus interest accrued to the date of redemption.

$_____ ____% Term Bond Due May 1, 20__, Yield ____%

Year	Sinking Fund Installment

_____
* Final Maturity]

The Bond Resolution contains additional provisions regarding certain other rights to redemption of one or more Series of the Series 2011 Bonds prior to their stated maturities thereof.

The Series 2011 Bonds 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 nor more than forty-five (45) days prior to the redemption date, to the Registered Owners of any Series 2011 Bonds or portions thereof 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 Bond Resolution. If notice of redemption shall have been mailed as aforesaid, the Series 2011 Bonds 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 of the Series 2011 Bonds or 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 Series 2011 Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Failure of the Registered Owner of any Series 2011 Bonds to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of Series 2011 Bonds.

The principal or Redemption Price of and the interest on the Series 2011 Bonds are payable by the Authority solely from the Trust Estate, and neither the State of New Jersey, the County (except to the extent of payments under the County Guaranty, which shall not secure the payment of any redemption premium), the Series 2011 Local Units, nor any political subdivision thereof, other than the Authority (but solely to the extent of the Trust Estate), is obligated to pay the principal or Redemption Price of or the interest on this bond and the issue of which it is one, and neither the full faith and credit nor the taxing power of the State of New Jersey, the Series 2011 Local Units, the County (except to the extent of the payments under the County Guaranty, which guaranty shall not secure the payment of any redemption premium) or any political subdivision thereof, including the Authority (which has no taxing power), is pledged to the payment of the principal or Redemption Price of or the interest on this bond and the issue of which it is one.

It is hereby certified and recited that all conditions, acts and things required by law and the Bond Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the Series of Bonds of which this is one, together with all other indebtedness of the Authority, complies in all respects with the applicable laws of the State of New Jersey, including, particularly, the Act.

This bond shall not be entitled to any benefit under the Bond Resolution or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

IN WITNESS WHEREOF, THE MORRIS COUNTY IMPROVEMENT AUTHORITY has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairman or Vice Chairman, and its seal to be impressed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the Dated Date hereof.

THE MORRIS COUNTY IMPROVEMENT AUTHORITY

By:_____
Chairman or Vice Chairman

[SEAL]

Attest:

_____
Secretary or Assistant Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION ON BONDS]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2011[A/B] Bonds delivered pursuant to the within-mentioned Bond Resolution.

[Name of Trustee],
as Trustee

By:_____
Authorized Signatory

[FORM OF COUNTY GUARANTY CERTIFICATE]

GUARANTY OF THE COUNTY OF MORRIS, NEW JERSEY

The payment of the principal of and the interest on this Series 2011[A/B] Bond shall be fully, irrevocably and unconditionally guaranteed by the County of Morris, New Jersey (the "County"), in accordance with the provisions of N.J.S.A. 40:37A-80, the guaranty ordinance of the County finally adopted pursuant thereto, and that certain "County Guaranty Agreement (Morris County Renewable Energy Program)" dated as of November 1, 2011, between the County and The Morris County Improvement Authority, and accordingly, the County is fully, irrevocably and unconditionally liable for the payment, when due (whether at stated maturity or earlier on any date of redemption or acceleration), of the principal of and the interest on this Series 2011[A/B] Bond, and, if necessary, the County shall levy *ad valorem* taxes upon all the taxable property within the County, without limitation as to rate or amount, in order to make such payments.

IN WITNESS WHEREOF, the County has caused this Guaranty Certificate to be executed by the manual or facsimile signature of its Freeholder-Director.

COUNTY OF MORRIS,
NEW JERSEY

By:_____
Freeholder - Director

The following abbreviations, when used in the inscription on this bond, shall be construed as though they were written out in full according to applicable laws or regulations (additional abbreviations may also be used though not in the following list):

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT
_____Custodian_____
(Cust) (Minor)
under Uniform Gifts to Minors Act

(State)

ASSIGNMENT

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE (FOR COMPUTER RECORD ONLY): _____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Please Print or Typewrite Name and Address of Transferee)

_____

the within bond, and all rights thereunder and hereby irrevocably constitutes and appoints

_____, Attorney, to transfer the within bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated:

Signature Guaranty:

_____

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank, trust company, national bank association or other banking institution incorporated under the laws of the United States or a state of the United States.

Signature:

_____

NOTICE: The signature of this Assignment must correspond with the name that appears upon the first page of the within bond in every particular, without alteration or enlargement or any change whatever.

SECTION 14.02. Effective Date.

This Bond Resolution shall take effect immediately. Notwithstanding the prior sentence, in accordance with N.J.S.A. 40:37A-50, the Secretary of the Authority is hereby authorized and directed to submit to each member of the Board of Freeholders, by the end of the fifth business day following this meeting, a copy of the minutes of this meeting. The Secretary is hereby further authorized and directed to obtain from the Clerk of the Board of Freeholders a certification from the Clerk stating that the minutes of this meeting have not been vetoed by the Director of the Board of Freeholders.

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	**Yes**	**No**	**Abstain**	**Absent**
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

ATTESTATION:

This Resolution was acted upon at the Regular Meeting of the Authority held on July 20, 2011 at the Authority's principal corporate office in Morristown, New Jersey.

Attested to this 20th day of July, 2011

By:_____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of April 19, 2011

By: _____
Stephen B. Pearlman, Esq., Partner
Inglesino, Pearlman, Wyciskala & Taylor, LLC
Counsel to the Authority

EXHIBIT A

FORM OF PROGRAM DOCUMENTS

EXHIBIT B

County Security Fund Requirement

RESOLUTION NO. 11-32

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RESOLUTION OF THE BOARD OF COMMISSIONERS
MORRIS COUNTY IMPROVEMENT AUTHORITY

TITLE:

RESOLUTION AMENDING THE PROPOSAL OF GABEL ASSOCIATES AUTHORIZED BY A RESOLUTION ENTITLED, "RESOLUTION AMENDINGAND RESTATING IN ITS ENTIRETY RESOLUTION 10-42 OF THE AUTHORITY ENTITLED, "RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE IMPLEMENTATION OF AN ENERGY EFFICIENCY PROGRAM"

WHEREAS, the Morris County Improvement Authority (the "*Authority*") has been duly created by resolution no. 42 entitled "Resolution of the Board of Chosen Freeholders of Morris County, New Jersey creating the Morris County Improvement Authority" duly adopted by the Board of Chosen Freeholders (the "*Morris County Board of Freeholders*") of the County of Morris (the "*Morris County*") in the State of New Jersey (the "*State*") on April 10, 2002 as a public body corporate and politic of the State pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (as codified at N.J.S.A. 40:37A-44 *et seq*., the "*Act*"), and other applicable law;

WHEREAS, the Authority has developed a program (the "*Original Renewable Energy Program*") for the financing, design, permitting, acquisition, construction, installation, operation and maintenance of renewable energy capital equipment and facilities such as solar panels, wind turbines, and hydro-electric, bio-diesel, geothermal, and bio-mass facilities, including any related electrical modifications or other work required or convenient for the installation of such systems (collectively, the renewable energy capital equipment and facilities, the "*Original Renewable Energy Projects*") for and on behalf of the County and local governmental units within the County, including without limitation municipalities, boards of education for school districts, local authorities and any other local government instrumentalities, public bodies or other local government entities; collectively, including the County, the "*Local Units*"), all as an authorized purpose under N.J.S.A. 40:37A-54(a) of the Act;

WHEREAS, in order to implement the Original Renewable Energy Program, the Authority and the County entered into that certain "Service Agreement (Renewable Energy Program)" dated as of January 1, 2009 (the "*Original Service Agreement*"), as amended by that certain "Amendment No. 1 to Service Agreement (Renewable Energy

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Program)" dated as of May 1, 2010 ("*Amendment No. 1 to Service Agreement*", and together with the Original Service Agreement, the "*Prior Service Agreement*"), all pursuant to Section 36 of the Act (N.J.S.A. 40:37A-79) and other applicable law (capitalized terms not defined herein shall have the meanings ascribed to such terms in the Original Service Agreement, as amended and supplemented hereby, if applicable), pursuant to which the County advanced funds to the Authority of $800,000 in the aggregate for the Original Renewable Energy Program;

WHEREAS, pursuant to the Original Renewable Energy Program, the Authority issued its $21,600,000 aggregate principal amount of "County of Morris Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2009A" dated February 18, 2010 to finance 3.2 MW of Original Renewable Energy Projects (in the form of PV solar panels and related equipment) for 7 Local Units at 15 sites within and including the County, where substantial environmental and financial benefits were secured;

WHEREAS, on October 20, 2010 the Authority adopted resolution no. 10-041 authorizing the implementation of the second tranche of its Original Renewable Energy Program;

WHEREAS, the Authority intends to expand its Original Renewable Energy Program (as so expanded, the "*Renewable Energy Program*") to include the development and implementation of energy savings improvement programs ("*ESIP*") contemplated by Chapter 4 of the Pamphlet Laws of 2009 of the State, and the acts amendatory thereof and supplemental thereto (the "*ESIP Act*"), Local Finance Board Notice 2009-11, June 12, 2009, *Implementing an Energy Savings Improvement Program, P.L. 2009, c.4***,** for and on behalf of Local Units (including ESIP, the "*Renewable Energy Projects*") and other applicable law (collectively, the "*ESIP Law*"), all as a further authorized purpose under N.J.S.A. 40:37A-54(a) of the Act;

WHEREAS, the Renewable Energy Projects procured under the ESIP portion of the Authority's Renewable Energy Program (the "*ESIP Projects*") are to be installed on, in, affixed or adjacent to and/or for any other Local Unit controlled buildings, other structures, lands or other properties of the Local Units (collectively, the "*Local Unit Facilities*");

WHEREAS, it may be necessary, desirable or convenient, in connection with the financing, design, permitting, acquisition, construction, installation, operation and maintenance of the ESIP Projects, to finance, design, permit, acquire, construct, renovate and install certain other capital improvements to or for the Local Unit Facilities that do not constitute ESIP Projects (the "*Capital Improvement Projects*" and together with the ESIP Projects and any Completion Project as defined in the hereinafter defined Bond Resolution, the "*Projects*");

WHEREAS, Gabel Associates, on behalf of itself and Birdsall Services Group (collectively, the "*Consulting Energy Engineer*") and with the review and preliminary approval of the Authority's energy counsel, Inglesino, Pearlman, Wyciskala & Taylor,

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LLC and the Authority's energy financial advisor, NW Financial Group (including the Consulting Energy Engineer, collectively, the "*ESIP Consultants*"), submitted to the Authority a proposal with respect to the implementation and development of the ESIP dated October 15, 2010 (the "*Original ESIP Proposal*");

WHEREAS, the ESIP Proposal did not provide billing rates and therefore billing rates were subsequently provided to the Authority through an amendment to ESIP Proposal, a copy of which is attached as **Exhibit A** hereto (the "*Amended ESIP Proposal*" and together with the Original ESIP Proposal, the "*ESIP Proposal*");

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Authority as follows:

Section 1. The Original ESIP Proposal is hereby amended to include the following billing rates:

Principal:	$265
Executive:	$225
Associate:	$140
Project Director:	$175
Project Manager:	$150
Energy Engineer:	$150
Junior Engineer:	$100

Section 2. The Chairperson, Vice-Chairperson and the Treasurer of the Authority (including their designees, each an "*Authorized Officer*") are hereby severally authorized and directed to execute any amendment to be determined by the Authorized Officer, after consultation with counsel, necessary to implement the Amended ESIP Proposal.

Section 3. All actions taken to date by the Authority and the ESIP Consultants in connection with the ESIP Proposal are hereby ratified, confirmed and approved, and the Authorized Officers and the ESIP Consultants are hereby severally authorized and directed to develop and implement the Amended ESIP Proposal.

Section 4. In accordance with N.J.S.A. 40:37A-50, the Secretary of the Authority is hereby authorized and directed to submit to each member of the Morris County Board of Freeholders, by the end of the fifth business day following this meeting or as soon as possible thereafter, a copy of the minutes of this meeting. The Secretary is hereby further authorized and directed to obtain from the Clerk of the Morris County Board of Freeholders stating that the minutes of this meeting have not been vetoed by the Director of the Morris County Board of Freeholders.

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Section 5. This resolution shall be effective immediately, unless it has been vetoed in accordance with N.J.S.A. 40:37A-50(e) of the Act.

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	Yes	No	Abstain	Absent
Pinto				
Ramirez				
Roe				
Sandman				
Bonanni				

ATTESTATION:

This Resolution was acted upon at the Regular Meeting of the Authority held on July 20, 2011 at the Authority's principal corporate office in Morristown, New Jersey.

Attested to this ___ day of _____, 2011

By:_____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of July 20, 2011

By: _____
Stephen B. Pearlman, Esq., Partner
Inglesino, Pearlman, Wyciskala & Taylor, LLC
Counsel to the Authority

[00016579-]

EXHIBIT A

[Attach Form of Amended ESIP Proposal]