

MORRIS COUNTY IMPROVEMENT AUTHORITY
MINUTES of the Board Meeting held on May 16, 2012, 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, Commissioner
Frank Pinto, Commissioner
Glenn Roe, Commissioner
Stephen B. Pearlman Esq. - Inglesino, Pearlman, Wyciskala & Taylor LLC
Isaac Gabel-Frank, Gabel Associates
Rich Lopatin, Acacia Financial
William Chegwiddden, Freeholder Liaison
Tom Mastrangelo, Alternate Freeholder Liaison

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

Commissioner Bonanni, Chairman, 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 April 19, 2012 regular meeting minutes, as well as the Executive Session minutes was considered Commissioner Pinto made a motion to accept the Regular and the Executive meeting minutes of the April 19th meeting. Commissioner Roe seconded the motion. All were in favor to accept the minutes of April 19, 2012

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

Agenda item 6(i) was discussed – Resolution reviewing the Year End 2011 Annual Audit. 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. 12-13 “RESOLUTION REVIEWING ANNUAL AUDIT OF THE AUTHORITY” (NO. 12-13) was adopted.

Agenda item 6(ii) was discussed – Resolution regarding an application to the Local Finance Board in connection with the County of Morris Guaranteed Pooled Program Bonds relating to the expansion of the Public Safety Training Academy, and Chester Borough. Commissioner Pinto made a motion to adopt this resolution; Commissioner Roe seconded the motion. Roll was called. The resolution was approved unanimously. The motion carried and Resolution No. 12-14 “RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY OF MORRIS GUARANTEED POOLED PROGRAM BONDS OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY” (NO. 12-14) was adopted.

Agenda item 6(iii) was discussed – Resolution concerning the Review of Findings and Recommendations of the Local Finance Board all in connection with the Authority’s County of Morris Guaranteed Pooled Program Bonds in aggregate principal amount not to exceed \$30,200,000. 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. 12-15 “RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY CONCERNING THE REVIEW OF FINDINGS AND RECOMMENDATIONS OF THE LOCAL FINANCE BOARD PURSUANT TO LOCAL AUTHORITIES FISCAL CONTROL LAW AND OTHER APPLICABLE LAW, ALL IN CONNECTION WITH THE AUTHORITY’S COUNTY OF MORRIS GUARANTEED

POOLED PROGRAM BONDS, SERIES 2012 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,200,000” (NO. 12-15) was adopted.

Agenda item 6(iv) 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 “Bill List” (NO. 12-16) was adopted.

7a. Discussion: Status of Renewable Energy Program Phase II – Joe Santaiti, Gabel Associates & Commissioner Bonanni visited several County locations looking for potential sites to add to the Solar II project. Possible locations include: the Office of Temporary Assistance, SEU Prosecutors Building, field in front of the 911 Memorial, Welfare parking lot, grass lot where the Sheriff’s K-9 dogs are trained and the back of Morris View. The property at Greystone was also visited.

Chester Borough, Morris Plains, Madison and Chatham have expressed an interest in joining the second round.

Randolph Board of Education and County College of Morris make up 40% of the Solar II project.

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

7c. CGLP Activity – Chester is closing in June.

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

7e. Status of Other Inquiries and potential transactions – Nothing at this time.

7f. Other items – Commissioner Bonanni is scheduled to go to Trenton on May 17 to testify regarding proposed legislation, Bill S-1925 as it relates to the SREC pricing.

The June 20th Meeting of the Morris County Improvement Authority has been rescheduled for Tuesday, June 19, 2012.

8. Further Official Action – Nothing at this time.

The May 16, 2012 meeting of the Morris County Improvement Authority was adjourned at 7:15 p.m. All Commissioners were in favor to adjourn the meeting.

Respectfully submitted,

Cynthia Rueter
Recording Secretary

RESOLUTION NO. 12-13

**RESOLUTION OF THE BOARD OF COMMISSIONERS
MORRIS COUNTY IMPROVEMENT AUTHORITY**

TITLE:

RESOLUTION REVIEWING ANNUAL AUDIT OF THE AUTHORITY

WHEREAS, N.J.S.A. 40A:5A-15 requires the governing body of each local authority to cause an annual audit of its accounts to be made; and

WHEREAS, the annual audit report for the fiscal year ended December 31, 2011 has been completed and filed with the Director of the Division of Local Government Services pursuant to N.J.S.A. 40A:5A-15; and

WHEREAS, N.J.S.A. 40A:5A-17 requires the governing body of each Authority to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of the audit report entitled "General Comments" and "Recommendations", and has evidenced same by group affidavit in the form prescribed by the Local Finance Board; and

WHEREAS, the members of the governing body have received the annual audit and have personally reviewed the annual audit, and have specifically reviewed the sections of the annual audit report entitled "General Comments" and "Recommendations" in accordance with N.J.S.A. 40A:5A-17.

NOW THEREFORE BE IT RESOLVED that the governing body of the Morris County Improvement Authority hereby certifies to the Local Finance Board of the State of New Jersey that each governing body member has personally reviewed the annual audit report for the fiscal year ended December 31, 2011, and specifically has reviewed the sections of the audit report entitled "General Comments" and "Recommendations", and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

BE IT FURTHER RESOLVED that the Treasurer of the Authority is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by a certified true copy of this resolution.

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

Commissioner	Yes	No	Abstain	Absent
Bonanni				
Ramirez				
Roe				
Sandman				
Pinto				

ATTESTATION:

This Resolution was acted upon at the Regular Meeting of the Authority held on May 16, 2012 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 16th day of May, 2012

**By: _____
Secretary of the Authority**

FORM and LEGALITY:

This Resolution is approved as to form and legality as of May 16, 2012

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

LOCAL AUTHORITIES
GROUP AFFIDAVIT FORM

PRESCRIBED BY
THE NEW JERSEY LOCAL FINANCE BOARD

AUDIT REVIEW CERTIFICATE

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

1. We are duly appointed members of the Morris County Improvement Authority.
2. We certify, pursuant to N.J.S.A. 40A:5A-17, that we have each reviewed the annual audit report for the fiscal year ended December 31, 2011 and specifically the sections of the audit report entitled "General Comments" and "Recommendations".

(Print)

(Signature)

Frank Pinto

Christina Ramirez

Glenn Roe

Ellen Sandman

John Bonanni

Sworn and subscribed before me this _____ day of _____, 2012.

Notary Public, State of New Jersey

RESOLUTION NO. 12-14

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

Adopted: May 16, 2012
as amended and supplemented by
a Certificate of an Authorized Officer of the Authority
dated June __, 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 Authority is authorized by law to finance public facilities through the acquisition of debt, including without limitation (i) the general obligation bonds in a not to exceed aggregate principal amount of approximately \$8,500,000 (the "County Chapter 12 Bonds"), (ii) the general obligation bonds in an aggregate principal amount of approximately \$5,200,000 (the "Chester Bond") of the Borough of Chester, in the County of Morris (the "Borough of Chester" and together with the County of Morris, each a "Local Unit" and collectively, the "Local Units") and (iii) lease revenue bonds of the Authority;

WHEREAS, on August 30, 2011 the Authority issued its County of Morris Guaranteed Pooled Program Bonds, Series 2011" (the "Series 2011 Pooled Program Bonds") and "County of Morris Guaranteed Pooled Program Notes, Series 2011" (the "Series 2011 Pooled Program Notes" and together with the Series 2011 Pooled Program Bonds, the "Series 2011 Obligations") for the acquisition of, respectively, the Authority's "Lease Revenue Bonds, Series 2011A" (the "Series 2011 Lease Revenue Bonds") and the Authority's "Lease Revenue Notes, Series 2011A" (the "Series 2011 Lease Revenue Notes") for the purpose of, among other local unit projects, a portion of 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 Public Safety Project") at the facility located in Parsippany-Troy Hills as Block 7, Lot 2 (the "Project Property"), as more fully set forth on Exhibit A to that certain Property and Infrastructure Lease Purchase Agreement entered into between the Authority and the County as a Local Unit in connection therewith (collectively, the "Original Lease Agreement");

WHEREAS, the County desires to (i) refund the Authority Series 2011 Lease Revenue Note and finance the balance of the County of Morris Public Safety Project (collectively, the "Series 2012 County Project") through the issuance of Authority Lease Revenue Bonds, Series

2012 (the "Series 2012 Lease Revenue Bonds" and together with the Series 2011 Authority Lease Revenue Bonds and the Series 2011 Authority Lease Revenue Note, the "Authority Lease Revenue Bonds") and (ii) fund renovations for the County College of Morris through the issuance of its County Chapter 12 Bond (the "County Chapter 12 Project" and together with the Series 2012 County Project, the "County Projects") all as set forth on Exhibit A to an agreement (the "County Loan Agreement") by and between the County and the Authority with respect to the Series 2012B Pooled Bonds;

WHEREAS, the Authority Series 2012 Lease Revenue Bonds, the County Chapter 12 Bond and the Borough of Chester Bonds shall be collectively referred to as the "Privately Placed Bonds";

WHEREAS, the Borough of Chester has (i) heretofore issued bond anticipation notes for various projects as set forth in the several bond ordinances (the "Borough of Chester Prior Notes") and now desires to refund the Borough of Chester Prior Notes and (ii) finally adopted a new bond ordinance for additional projects (collectively, the "Borough of Chester Project" and together with the Series 2012 County Project and the County Chapter 12 Project, the "Series 2012 Projects") all as set forth on Exhibit A to an agreement (the "Borough of Chester Loan Agreement" and together with the County Loan Agreement, the "Loan Agreements") by and between the Borough of Chester and the Authority;

WHEREAS, the Authority Series 2012 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" as amended and supplemented by a Certificate of an Authorized Officer of the Authority dated August 30, 2011, as further amended and supplemented by a Certificate of an Authorized Officer of the Authority dated the date of issuance of the Series 2012 Lease Revenue Bonds (collectively, the "Lease Revenue Bone Resolution", the Act and other applicable law;

WHEREAS, the Borough of Chester Bonds will be issued pursuant to the several bond ordinances of the Borough of Chester, a resolution of the Borough of Chester (the "Borough of Chester Bond Resolution") and other applicable law;

WHEREAS, the principal of, and interest on the Authority Series 2012 Lease Revenue Bonds shall be paid from certain rental payments made by the County of Morris in accordance with the terms of the Original Lease Agreement, as amended and supplemented by that certain Amendment No. 1 to Lease Agreement (the "Lease Amendment No. 1" and together with the Original Lease Agreement, the "Lease Agreement") and as otherwise set forth in the Lease Revenue Bond Resolution;

WHEREAS, pursuant to the terms of the Lease Agreement, the Authority contemplates taking nominal title to the County of Morris Public Safety Project for the term set forth therein, then leasing the County of Morris Public Safety Project to the County 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 Public Safety Project to the County for nominal consideration;

WHEREAS, pursuant to the terms of the County Loan Agreement, the County will acquire or retain, as the case may be, all right, title and interest to the County Chapter 12 Project, and the Authority acquires no interest therein except as may be expressly set forth in the County Loan Agreement;

WHEREAS, the principal of, and interest on the County Chapter 12 Bonds shall be paid from general obligation payments of the County;

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

WHEREAS, the principal of, and interest on the Borough of Chester Bonds shall be paid from general obligation payments of the Borough of Chester;

WHEREAS, the Authority shall deposit the proceeds of the Authority Series 2012 Lease Revenue Bonds issued under the Lease Revenue Bond Resolution with U.S. Bank National Association, the trustee 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 Public Safety Project; (ii) payment of the Series 2011 Lease Revenue Note, (iii) certain accrued interest to the extent set forth in the Lease Revenue Bond Resolution; (iv) certain costs of issuance to be identified in the Lease Revenue Bond Resolution; (v) capitalized interest on the Authority Series 2012 Lease Revenue Bonds, if any and (vi) such other items as shall be set forth in the Lease Revenue Bond Resolution;

WHEREAS, simultaneously with the issuance of the Authority Series 2012 Lease Revenue Bonds, the Authority shall deposit a portion of the proceeds of the Borough of Chester Bonds issued under the Borough of Chester Bond Resolution and the County Chapter 12 Bond issued under the County Chapter 12 Bond Resolution with the Pooled Trustee, as an equity contribution, to pay the cost of: (i) certain accrued interest attributable to the Borough of Chester Bonds or the County Chapter 12 Bonds, as the case may be, to the extent set forth in the Pooled Program Bond Resolution; (ii) certain costs of issuance attributable to the Borough of Chester Bonds and the County Chapter 12 Bonds to be identified in the hereinafter defined Series 2012 Pooled Program Bond Resolution; (iii) capitalized interest on the Borough of Chester Bonds and the County Chapter 12 Bonds, if any and (iv) such other items as shall be set forth in the Series 2012 Pooled Program Bond Resolution;

WHEREAS, (i) the Authority Series 2012 Lease Revenue Bonds and the Borough of Chester Bonds will be purchased with the proceeds from the Authority's "County of Morris Guaranteed Pooled Program Bonds, Series 2012A" (the "Series 2012A Pooled Program Bonds" and (ii) the County Chapter 12 Bonds will be purchased with the proceeds from the Authority's "County of Morris Guaranteed Pooled Program Bonds, Series 2012B" (the "Series 2012B Pooled Program Bonds" and together with the Series 2012A Pooled Program Bonds, the "Series 2012 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 "Series 2012 Pooled Program Bond Resolution" and together with the Lease Revenue Bond Resolution, the "Bond Resolutions");

WHEREAS, the Series 2012A Bonds may be divided into two separate series should the need arise due to structuring of Chester's debt service;

WHEREAS, the Authority Series 2012 Pooled Program Bonds and the Authority Series 2012 Lease Revenue Bonds shall be collectively referred to as, the "Bonds";

WHEREAS, the issuance of the Authority Series 2012 Pooled Program Bonds for the purpose of acquiring the Privately Placed Bonds to finance the Series 2012 Projects shall collectively be referred to as the "Project");

WHEREAS, the principal of, redemption premium, if any, and interest on the Authority Series 2012A Pooled Program Bonds shall be secured by the pledge of the Series 2012A Trust Estate as defined in the Series 2012 Pooled Program Bond Resolution by the Authority to the U.S. Bank National Association, the Pooled Trustee named therein (the "Pooled Trustee" and together with the Lease Revenue Trustee, the "Trustees"), which Series 2012A Trust Estate shall include, among other things, the Lease Agreement; the Loan Agreement; the principal of, redemption premium, if any, and interest on the Borough of Chester Bond, the payment on which shall be made by the Borough of Chester 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 Chester, without limitation as to rate or amount, and which Borough of Chester Bond shall be assigned by the Authority to the Pooled Trustee as further security for the payment of the Series 2012A Pooled Program Bonds in accordance with the terms of the Series 2012 Pooled Program Bond Resolution and the Loan Agreement; and the principal of, redemption premium, if any, and interest on the Authority Series 2012A Lease Revenue Bonds and which Authority Series 2012A Lease Revenue Bonds shall be assigned by the Authority to the Pooled Trustee as further security for the payment of the Series 2012A Pooled Program Bonds in accordance with the terms of the Series 2012 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, the principal of, redemption premium, if any, and interest on the Authority Series 2012B Pooled Program Bonds shall be secured by the pledge of the Series 2012B Trust Estate as defined in the Series 2012 Pooled Program Bond Resolution by the Authority to the Pooled Trustee, which Series 2012B Trust Estate shall include, among other things, the County Loan Agreement; the principal of, redemption premium, if any, and interest on the County Chapter 12 Bond, the payment on which shall be made by the County 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 County, without limitation as to rate or amount, and which County Chapter 12 Bond shall be assigned by the Authority to the Pooled Trustee as further security for the payment of the Series 2012B Pooled Program Bonds in

accordance with the terms of the Series 2012 Pooled Program Bond Resolution and the County Loan Agreement;

WHEREAS, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Authority Series 2012 Pooled Program Bonds, to be issued in two or more series as bond and/or notes (including the Series 2012A Pooled Program Bonds and the Series 2012B Pooled Program Bonds), shall be fully, unconditionally and irrevocably guaranteed in an aggregate principal amount not to exceed \$30,200,000 in accordance with (i) the terms of one or more guaranty ordinances of the County (which shall in the aggregate total to \$30,200,000) 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 on the face of each Series 2012 Pooled Program Bond and (iii) as may be required by any rating agency, underwriter, Series 2012 Pooled Program Bond purchaser or other entity that will allow the Authority to sell the Authority Series 2012 Pooled Program Bonds at the lowest possible cost to the Local Units, an agreement setting forth the County's obligation to make any such guaranty payments in accordance with and within the parameters set forth in this ordinance (collectively, the "Series 2012 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 (as defined in the Pooled Bond Resolution") applicable to the Authority Series 2012 Pooled Program Bonds pledged by the Authority to the Pooled Trustee under the Series 2012 Pooled Program Bond Resolution;

WHEREAS, a guaranty ordinance securing the payment of the principal of (including mandatory sinking fund installments, if any) and interest on the portion of the Series 2012A Pooled Program Bonds relating to the purchase of Series 2012 Lease Revenue Bond in a not to exceed amount of \$37,700,000 was previously adopted on June 8, 2011, as amended on July 13, 2011 (the "Series 2011 County Guaranty Ordinance") to secure the Series 2011 Obligations;

WHEREAS, since the County has determined that for clarity purposes it is necessary to adopt the Series 2012 County Guaranty for the Series 2012 Pooled Program Bonds, the portion of the Series 2011 County Guaranty Ordinance that has been authorized for the Series 2012 Project that remains authorized but unissued and deemed no longer necessary, after the issuance of the Series 2012 Pooled Program Bonds, shall be removed from the books of the County;

WHEREAS, in accordance with the terms of the Lease Revenue Bond Resolution, the Series 2012 Pooled Program Bond Resolution, the Series 2012 County Guaranty, the Lease Agreement and the Loan Agreements, the Trustee shall not notify the County of the possible need for payments from the County under the Series 2012 County Guaranty to pay all of a portion of the principal of and interest on the Authority Series 2012 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 Series 2012 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 Authority Series 2012 Pooled Program 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 Series 2012 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 Series 2012 Lease Revenue Bonds and the Authority Series 2012 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 County Chapter 12 Bonds and the Borough of Chester 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 Authority Series 2012 Pooled Program Bonds, the Project and the other transactions contemplated hereby (the "Preliminary Official Statement"), (iii) upon the direction of the Chairman, either sell the Series 2012 Pooled Bonds by competitive sale through a notice of sale ("*Notice of Sale*") or select an underwriter to purchase all of the Series 2012 Pooled Bonds (the "*Underwriter*") and 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 Authority's Series 2012 Pooled Program Bonds (the "Bond Purchase Agreement"), (iv) execute and deliver a final Official Statement incorporating the terms of the sale of the Authority Series 2012 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 Authority Series 2012 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 County and the Borough of Chester 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 Series 2012 Lease Revenue Bonds, the County Chapter 12 Bonds and the Borough of Chester 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, the County and the Borough of Chester 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 Series 2012 Pooled Program Bond Resolution, the Series 2012 Supplemental 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 Agreements. With respect to any defined term which is given a different meaning under this Pooled Program Bond Resolution than under such Project Agreements, as used herein it shall have the meaning designated below.

(a) The following terms, shall, for all purposes of this Pooled Program 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 Chester
Borough of Chester Bond Resolution
Borough of Chester 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 Letter of Representations
Local Unit Official Action
Local Unit Tax Letter of Representations
Local Units
Municipal Local Units
Municipal Project Agreements
Municipal Projects
Official Statement
Other Local Units
Other Project Agreements

Pooled Program Bond Resolution
Pooled Trustee
Preliminary Official Statement
Privately Placed Bonds
Project Agreements
Projects
Rule 15c2-12
Sale Documents
School Bond Law
School District Local Units
School Project Agreements
School Projects
Section 13
SEC
Series 2012 Bonds
Series 2012 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 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 Expense Account" shall mean the Account so designated and established by Article V hereof.

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"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 Lease Revenue Bond Resolution or this Pooled Program Bond Resolution, including, without limitation, accounting, administrative, financial advisory and legal expenses and the fees and expenses of the Privately Placed 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, this Lease Revenue Bond Resolution or the Pooled Program Bond Resolution.

"Administrative Fee" shall mean with respect to (A) the Series 2012 Lease Revenue Bonds and the Borough of Chester Bonds, the sum of \$_____ payable to the Authority from a portion of the proceeds of the Series 2012A Pooled Program Bonds and Series 2012B Pooled Program 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 the County, ___ in connection with the each series of Lease Revenue Bonds and with respect to the Borough of Chester and the County, \$___, and payable by the Local Units to the Pooled Trustee on the Basic Lease Payment Date or Authority Bond Loan Repayment Date immediately preceding the first day of any such Bond Year.

"Administrative Fund" shall mean the Fund so designated and established by Article V of this Pooled Program 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

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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, and (viii) with reference to any Project Lease Agreement, Loan Agreements or Local Unit Guaranty, the Project Lease Agreement, Loan Agreements 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 Bond Loan Repayment" shall have the meaning set forth in the Loan Agreement.

"Authority Bond Loan Repayment Date" shall mean the dates set forth in Section 3.06 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 circulated 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 Agreements 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 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

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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 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 _____ 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 _____, 2013.

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

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

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

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

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

"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

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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 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 hereof.

"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.

"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 2012 Lease Revenue Bonds or any Additional 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 2012 Lease Revenue Bonds or any Additional Bonds (except for the Rebate Fund), (iv) any moneys or securities to be set aside pursuant to the terms of the Lease Revenue Bond Resolution, which unless otherwise stated herein, shall be set aside for the County in the amount of its Allocable Share, (v) the Equipment financed by the County in accordance with its Applicable Lease Agreement and (vi) the Lease Agreement Applicable to the

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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 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.

"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 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 (i) with respect to the Series 2012 Pooled Program Bonds, 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 ___^h day of each _____ and _____ until final maturity of such Series of Authority Pooled Program Bonds, 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 and (ii) with respect to any notes, the maturity date 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

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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 Lease Agreement and Exhibit A of the Loan Agreements, less any credits and reductions as contemplated by the Applicable Lease Agreement or Loan Agreements.

“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

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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 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

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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 Agreement" shall mean the "Property and Infrastructure Lease Purchase Agreement" and dated as of August 1, 2011 with the Authority and the County, as amended and supplemented by the "Amendment No. 1 to Lease Agreement" dated as of June 1, 2012.

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

"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 Privately Placed Bonds, invested or held in any Funds or Accounts established hereunder with respect to the Authority Pooled Program Bonds (except for the Rebate Fund and the Administrative Expense Account), (ii) all moneys payable under the County Guaranty, but solely as it relates to the Authority Pooled Program Bonds, (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, (iv) the County Trust Estate, (v) the Borough of Chester Trust Estate, and (vi) the County Chapter 12 Trust Estate.

"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 (i) with respect to any bonds, 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 August 15 until final maturity of such Series of Authority Pooled Program Bonds, commencing August 15, 2012 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 and (ii) with respect to any notes, the maturity date 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 Agreements or Loan Agreement.

"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 Lease Agreement or the Loan Agreements.

"Project" shall mean any 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.

"Rebate Memorandum" shall mean the rebate memorandum attached to the Tax Certificate as Exhibit C 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.

"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

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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, the Borough of Chester and its Loan Agreement or the County 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.

"Revenues" shall mean, with respect to any particular Local Unit, all (i) Authority Pooled Bond Loan Repayments and Lease Payments Applicable to such Local Unit, (ii) any investment income which is derived from the investment of any funds which are held by the Pooled Trustee pursuant to the terms of this Pooled Program 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 Pooled Trustee pursuant to the terms of this Pooled Program 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.

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"Series 2011 Lease Revenue Bonds" shall mean the \$4,700,000 aggregate principal amount of Bonds constituting the "Authority Lease Revenue Bonds, Series 2011" authorized pursuant to the terms of Section 2.03(1)(a) of the Lease Revenue Bond Resolution.

"Series 2011 Lease Revenue Notes" shall mean the \$10,930,000 aggregate principal amount of Bonds constituting the "Authority Lease Revenue Notes, Series 2011" authorized pursuant to the terms of Section 2.03(1)(b) of the Lease Revenue Bond Resolution.

"Series 2012 Lease Revenue Bonds" shall mean the \$_____ aggregate principal amount of Bonds constituting the "Authority Lease Revenue Bonds, Series 2012" 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.

"Tax-exempt Bonds" shall mean the Lease Revenue Bonds, the Pooled Bonds and 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.

"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 each Series of the Authority Pooled Program Bonds except that

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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 2012" 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 May __, 2012, 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

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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 are hereby authorized for issuance in the aggregate principal amount not to exceed \$_____ outstanding at any one time. The not to exceed \$_____ aggregate principal amount of Authority Pooled Program Bonds 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 2012".

2. The Series 2012 Authority Pooled Program Bonds shall be dated, and shall bear interest from _____, 2012 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 Series 2012 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 _____, 2012, at the respective rates per annum, shown below:

	Principal Amount	Interest Rate		Principal Amount	Interest Rate
<u>August 15</u>	<u>Maturing</u>	<u>Rate</u>	<u>August 15</u>	<u>Maturing</u>	<u>Rate</u>

* Term Bond

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 U.S. Bank National Association, Morristown, 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

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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. The Series 2012 Authority Pooled Program Bonds maturing before _____ shall not be subject to optional redemption prior to their stated maturities. The Series 2012 Authority Pooled Program Bonds maturing on or after _____, ____ shall be subject to redemption prior to their stated maturities on or after _____, ____ at the direction of the Local Units in whole or in part at any time 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 Authority Lease Revenue Bonds, the Borough of Chester Bonds or the County Chapter 12 Bonds, to be redeemed in accordance with the Lease Revenue Bond Resolution, the Borough of Chester Bond Resolution or the County Chapter 12 Bond Resolution, as the case may be, and further upon notice of redemption set forth in Article IV hereof.

6. (a) The Series 2012 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 on _____ in the years set forth in the following table:

Series 2012 Authority Pooled Program Bonds maturing
_____, in the amount of \$ _____

Year	Principal Amount
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* Final Maturity

7. (A)(a) The proceeds of the Series 2012 Authority Pooled Program Bonds of \$ _____ (par amount of the Series 2012 Authority Pooled Program Bonds of \$ _____, plus net original issue premium of \$ _____ less underwriter's discount of \$ _____) (the "Series 2012 Bond Proceeds") shall be received by the Pooled Trustee and applied simultaneously with the delivery of such Authority Pooled Program Bonds as follows:

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(b) Deposit in the Purchase Account of the Bond Proceeds Fund \$_____ (representing par of \$_____ plus net original issue premium of \$_____ less underwriter's discount of _____, less costs of issuance of \$_____) for the purchase of the \$_____ aggregate principal amount of Series 2012 Lease Revenue Bonds issued by the Authority on behalf of the County from the Privately Placed Trustee under the Lease Revenue Bond Resolution.

(c) Deposit in the Purchase Account of the Bond Proceeds Fund for subsequent wire to the account of:

- (i) the Borough of Chester, \$_____ for the purchase of the \$_____ aggregate principal amount of Borough of Chester Bonds (representing par of \$_____ plus premium of \$_____ less underwriter's discount in the amount of \$_____, less costs of issuance of \$_____) in accordance with the wire instructions provided by the Borough of Chester;
- (ii) the County, \$_____ for the purchase of the \$_____ aggregate principal amount of County Chapter 12 Bonds (representing par of \$_____ plus premium of \$_____ less underwriter's discount in the amount of \$_____, less costs of issuance of \$_____) in accordance with the wire instructions provided by the County;

(d) 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 2012 Pooled Bonds, including the Authority's initial Administrative Fee.

8. Upon the authentication and delivery of each series 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. After the execution, authentication and delivery of the Series 2012 Pooled Program 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) to raise funds to pay the cost of the acquisition, construction, renovation or installation of part or parts of an Additional Project, including any deposit or increase into any Fund or Account that has been established by the terms of this Pooled Program Bond Resolution and that is incidental thereto or is deemed by the Authority to be necessary in connection therewith, (b) to refund any Bonds (including Additional Bonds) of the Authority, or (c) to raise funds for any Completion Project.

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 Pooled Program 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 Pooled Bond Trustee for authentication by the Pooled Bond Trustee as provided in this Pooled Program Bond Resolution, and thereafter such Additional Bonds shall be authenticated by the Pooled Bond Trustee upon original issuance and, upon fulfillment of the applicable conditions set forth in Section 2.05 hereof, shall be delivered by the Pooled Bond 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 Pooled Program 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

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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 Pooled Program 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 Privately Placed Trustee as provided in this Pooled Program Bond Resolution, nor shall such Additional Bonds be entitled to any right or benefit under the terms of this Pooled Program Bond Resolution unless they are so authenticated, and no Additional Bond shall be valid and obligatory for any purpose of this Pooled Program Bond Resolution unless said Additional Bond shall have been so authenticated.

5. After their authentication and delivery by the Pooled Bond 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 Pooled Program Bond Resolution, and shall have equal rank with the Outstanding Pooled Program 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 Pooled Program 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 Pooled Bond 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 Pooled Bond 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 Pooled Bond Trustee, among other things, the following:

(a) Copies of this Pooled Program Bond Resolution and the Supplemental Resolution of the Authority, certified by an Authorized Officer of the Authority, 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 Additional Project or 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 Pooled Program Bond Resolution.

(c) To the extent that such Additional Bonds are to be issued for the purpose specified in clause (a) of paragraph (1) of Section 2.04 hereof, a written request from the County to the Authority to issue such Series of Additional Bonds along with the approval of the Board of Freeholders in accordance with the Act and the approval of any amendments or additions to the Lease.

(d) If such Additional Bonds are authorized for the purpose described in clause (a), (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 applicable Local Unit to the effect that the Lease Agreement or Loan Agreement, as the case may be, has been amended to cover the issuance of the Additional Bonds, if necessary, (ii) a copy of such amended Lease Agreement or Loan Agreement, and (iii) a Certificate of an Authorized Officer of the applicable Local Unit, dated the date of issuance of such Additional Bonds, to the effect that all of the representations, warranties and covenants of the Local Units contained in the Lease Agreement or the Loan Agreements, as the case may be are, as of such date, true, accurate and complete. If no such amendment to the Lease Agreement or Loan Agreements is required, a Counsel's opinion stating same shall be delivered to the Pooled Bond Trustee.

(e) The written order of the Authority as to the delivery of such Additional Bonds signed by an Authorized Officer and stating (i) the amount of the proceeds derived from the sale of such Additional Bonds, (ii) the amount, if any, of such proceeds that will be paid by the Authority to the Privately Placed Trustee for deposit in the Debt Service Fund, and (iii) the amounts, if any, that will be paid by the Authority to the Pooled Bond Trustee for deposit in the Bond Proceeds Fund or in the Administrative Fund, as the case may be.

(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 Pooled Bond Trustee for deposit in the Debt Service Fund, which amount shall be held by the Pooled Bond 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 Pooled Bond Trustee for deposit in the Bond Proceeds Fund or in the Administrative Fund, as the case may be, which amounts shall be held by the Pooled Bond Trustee in the Bond Proceeds Fund or in the Administrative Fund, as the case may be.

(h) If such Additional Bonds are authorized for the purpose described in clause (a) of paragraph (1) of Section 2.04 hereof, a Certificate of the Architect or an Authorized Officer of the Authority and/or the County stating the opinion (1) that the improvement described in such Supplemental Resolution constitutes an Additional Project, (2) that the remainder of such proceeds to be deposited in the Bond Proceeds Fund after deducting the

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amounts to be deposited in the Debt Service Fund and the Administrative Fund, if any, will be, together with any other funds of the Authority that are then available or are expected to be available therefor, sufficient to pay the Costs of the acquisition, construction, renovation or installation of such improvement, and (3) as to the period of time that will be required for completion of the acquisition, construction, renovation or installation of the improvement.

(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 Pooled Bond 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 an Authorized Officer of the Authority and/or the applicable Local Unit stating (1) the opinion that the improvement described in such Supplemental Resolution constitutes a Completion Project, (2) that the improvement for which Additional Bonds are to be issued is one for which Bonds had theretofore been issued, (3) the amount of proceeds to be deposited in the Bond Proceeds Fund, if any, and (4) that such proceeds, together with any other funds of the Authority 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 Pooled Program Bond Resolution, (ii) the order, certificates and amounts of money to be delivered or paid to the Privately Placed 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 Pooled Bond Trustee may lawfully authenticate the Additional Bonds upon their original issuance.

(l) 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 (a) or (c) of paragraph (1) of Section 2.04 hereof, the Pooled Bond Trustee shall deposit in the Bond Proceeds Fund the proceeds derived from the sale of such Additional Bonds issued for the Additional Project or the Completion Project, as the case may be. The moneys so deposited shall be applied by the Authority and the Privately Placed 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 Pooled Bond Trustee shall deposit in the Administrative Fund an amount sufficient to pay the Costs of Issuance of such Additional Bonds and shall apply 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 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,

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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 2.06(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 2.06(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 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,

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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

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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.

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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

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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

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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 the Local Units 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

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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 within the Interest Account a County Interest Subaccount, a Borough of Chester Interest Subaccount and a County Chapter 12 Interest Subaccount; and a Principal Account, and within the Principal Account a County Principal Subaccount, a Borough of Chester Principal Subaccount and a County Chapter 12 Principal Subaccount;
- (c) Administrative Fund, to be held by the Pooled Trustee, which shall consist of an Administrative Expense Account; and within the Administrative Expense Account a County Administrative Expense Subaccount, a Borough of Chester Administrative Expense Subaccount and a County Chapter 12 Administrative Expense Subaccount
- (d) General Fund, to be held by the Pooled Trustee; and
- (e) 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 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 Privately Placed Bonds in an amount set forth in a Certificate of an Authorized Officer of the Authority.

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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, the Pooled Trustee shall deposit in the applicable Interest Subaccount of the Debt Service Fund the amount of interest on (i) the Authority Lease Revenue Bonds paid by the paying agent under the Authority Lease Revenue Bond Resolution to the Pooled Trustee, as the registered owner of 100% of the aggregate principal amount of such Bonds, (ii) the Borough of Chester Bonds paid by the paying agent under the Borough of Chester Bonds to the Pooled Trustee, as the registered owner of 100% of the aggregate principal amount of the Borough of Chester Bonds and (iii) the County Chapter 12 Bonds paid by the paying agent under the County Chapter 12 Bonds to the Pooled Trustee, as the registered owner of 100% of the aggregate principal amount of the County Chapter 12 Bonds.

2. No later than each Principal Payment Date, the Pooled Trustee shall deposit in the applicable Principal Subaccount of the Debt Service Fund the amount of principal on the (i) Authority Lease Revenue Bonds paid by the paying agent under the Authority Lease Revenue Bond Resolution to the Pooled Trustee, as the registered owner of 100% of the aggregate principal amount of such Bonds, (ii) Borough of Chester Bonds paid by the paying agent under the Borough of Chester Bonds to the Pooled Trustee, as the registered owner of 100% of the aggregate principal amount of such Bonds and (iii) County Chapter 12 Bonds paid by the paying agent under the County Chapter 12 Bonds 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 Subaccounts 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 Principal Subaccounts 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, the Paying Agent, the Borough of Chester and the County 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 Privately Placed Bonds, 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, 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, shall be forwarded (i) first, to the County to the extent of any such payment by the County, (ii) second, to the Authority to the extent of the Overdue Rate, and (iii) third, to the Privately Placed Trustee for deposit in the Applicable Local Unit Revenue Account or returned to the Borough of Chester or the County, as the case may be.

SECTION 5.04. Administrative Fund.

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

2. The Pooled Trustee shall invoice (i) with respect to the Authority Lease Revenue Bonds, the Privately Placed Trustee, (ii) with respect to the Borough of Chester Bonds, the Borough of Chester and (iii) with respect to the County Chapter 12 Bonds, the County, (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 Privately Placed Trustee, the Borough of Chester or the County, as the case may be, of a Certificate of an Authorized Officer of the Authority delivered to such effect. The Borough of Chester, the County and the Privately Placed Trustee shall pay to the Pooled 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 Pooled 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 the 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 5.05. Reserved.

SECTION 5.06. Reserved.

SECTION 5.07. General Fund. On the first day of each Bond Year beginning August 15, 2016, 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 its written requisition 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 Rebate Memorandum. 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.

SECTION 5.10. Deposit and Notices of Deposit into Rebate Fund.

1. Upon written notification to the Trustee from any Local Unit of the Rebatable Arbitrage with respect to any Series of Tax-exempt Bonds, the Trustee shall promptly transfer from the Construction Fund for such Series of Tax-exempt Bonds to the Rebate Fund for such Series of Tax-exempt Bonds the amount specified in the written notification which shall be the amount necessary so that, immediately after such transfer, the amount in the Rebate Fund for such Series of Tax-exempt Bonds shall be equal to the excess of the Rebatable Arbitrage with respect to such Series of Tax-exempt Bonds over the amounts previously paid with respect to such Series of Tax-exempt Bonds to the United States of America by the Trustee on behalf of the Authority pursuant to Section 5.13 hereof.

2. In the event that the amount in the Construction Fund is insufficient to fund the Rebate Fund at the times and in the amount specified in subsection (1) above, and the applicable Local Unit has not, on or prior to the Rebate Computation Date, paid to the Trustee for deposit in the Rebate Fund the difference between the amount required to be added to the Rebate Fund with respect to any Series of Tax-exempt Bonds and the amount then available for such purpose in the Construction Fund for such Series of Tax-exempt Bonds, the Trustee shall, within five (5) days after a Rebate Computation Date, notify the Authority of the Local Unit's failure to make such payment, and the Authority shall have the right, but not the obligation, to make such payment to the Trustee on behalf of the applicable Local Unit.

SECTION 5.11. Excess Moneys in Rebate Fund.

In the event that, on any Rebate Computation Date, the amount on deposit in the Rebate Fund for any Series of Tax-exempt Bonds exceeds the Rebatable Arbitrage with respect to such Series of Tax-exempt Bonds (as provided in the opinion and report furnished by the Rebate Expert described in Section 5.09(2) hereof with respect to such Rebate Computation Date) reduced by amounts previously paid with respect to such Series of Tax-exempt Bonds to the United States of America by the Trustee on behalf of the Authority pursuant to Section 5.13 hereof, the Trustee shall, upon receipt of written instructions from the Local Unit specifying the amount of the excess, notify the Authority of such excess, withdraw such excess amount and deposit it in the Construction Fund if such notification is prior to the completion of the Project. If the notification is after the completion of the Project and the excess constitutes proceeds of a Series of Tax-exempt Bonds (including investment earnings thereon), such excess shall be applied in accordance with the treatment of surplus with respect to such Series of Tax-exempt Bonds. In the event such excess does not constitute proceeds of a Series of Tax-exempt Bonds (including investment earnings thereon), the Trustee shall transfer such amount to the Local Unit. If any amount shall remain in the Rebate Fund established for any Series of Tax-exempt Bonds after the Trustee has made a final payment to the United States of America with respect to such Series of

Tax-exempt Bonds as a result of the retirement of the last obligation of such Series of Tax-exempt Bonds, such excess shall be transferred to the Local Unit.

SECTION 5.12. Investment of Rebate Fund.

1. Any moneys held as part of the Rebate Fund shall be invested or reinvested by the Trustee as provided in this Article V.

2. The Authority shall direct all investments such that any investment of funds in the Rebate Fund shall mature or be redeemable by the Trustee at such times as may be necessary to provide funds when, at the time of the investment, it is anticipated the same will be needed to make payments from the Rebate Fund. The Trustee may at any time, to the extent required for payments from the Rebate Fund, sell any of such investments, and the proceeds of such sale and of all payments at maturity and upon redemption of such investments shall be held in the Rebate Fund. Interest and other income received or losses on moneys or securities in the Rebate Fund shall be credited or charged to the Rebate Fund and shall become a part thereof to be disbursed as provided for herein.

SECTION 5.13. Payment of Rebateable Arbitrage to the United States.

The Trustee, at the written direction of the Authority or the Local Unit, shall withdraw from the Rebate Fund and pay over to the United States of America the Rebateable Arbitrage with respect to each Series of Tax-exempt Bonds in installments as follows: The first payment shall be made not later than sixty (60) days after the end of the fifth Rebate Year of each such Series of Tax-exempt Bonds. Each subsequent payment shall be made not later than sixty (60) days after the succeeding fifth Rebate Year of each such Series of Tax-exempt Bonds. Each installment shall be in an amount that ensures that at least ninety percent (90%) of the amount of Rebateable Arbitrage with respect to such Series of Tax-exempt Bonds as of the close of the period ending on the last day of the most recent fifth Rebate Year of such Series of Tax-exempt Bonds will have been paid to the United States of America (determined in accordance with the opinion of the Rebate Expert and accompanying written summary given to the Trustee by the Local Unit concerning Rebateable Arbitrage with respect to such Series of Tax-exempt Bonds for the period ending on the last day of such fifth Rebate Year). Not later than sixty (60) days after the retirement of the last obligation of such Series of Tax-exempt Bonds, the United States of America shall be paid the remaining balance of the Rebateable Arbitrage with respect to such Series of Tax-exempt Bonds together with amounts earned from investing the remaining balance of the Rebateable Arbitrage at an arm's length interest rate during the period beginning from the date of retirement of the last obligation of such Series of Tax-exempt Bonds and ending on the date fifteen (15) days before the final rebate payment is made.

ARTICLE VI

FINANCING DOCUMENTS, NOTICE OF SALE, 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 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. Notice of Sale or Bond Purchase Agreement. The Authority hereby authorizes the Chairperson to determine whether the Series 2012 Pooled Program Bonds shall be sold through a competitive sale, if circumstances so warrant, with a Notice of Sale or 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 any such notice of sale or 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.

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, 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 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) with respect to the Authority Pooled Program Bonds to the Municipal Securities Rulemaking Board.

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 Agreements, the Loan Agreements 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 and shall enforce the obligations of the County and the Local Units thereunder.

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 Agreements, the Loan Agreements 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, 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 1.148-1(b), the program documents with respect to the Authority Pooled Program Bonds prohibit the Local Units or any person or related persons (within the meaning of Section 147(a)(2) of the Code) to any of the Local Units from purchasing Authority Pooled Program Bonds 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 Rebate Memorandum) 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 Rebate Memorandum, 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 Rebate Memorandum 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 U.S. Bank National Association, Morristown, New Jersey, 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 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 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 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, so long as the County is not in default under the County Guaranty.

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 Paying Agent: U.S. Bank National Association
21 South Street, 3rd Floor
Morristown, New Jersey 07960
Attention: Corporate Trust Department

- (d) Rating Agency: Moody's Investors Service
99 Church Street
New York, New York 10007
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 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 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 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 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 Agreements, the Loan Agreements 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 2012[A/B]

NO. R[A/B]-_____

CUSIP _____

Interest	Maturity	Dated	Authentication
Rate	Date Date		Date
%	_____15, _____	_____, 2012	_____, 2012

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 U.S. Bank, National Association, Morristown, 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 _____, 201_, 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 [first (1st)] 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 Series 2012[A/B] 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 2012[A/B]" (herein called the "Series 2012[A/B] 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 May __, 2012 entitled "Resolution Authorizing the Issuance of County of Morris Guaranteed Authority Pooled Program Bonds, Series 2012 of The Morris County Improvement Authority", as amended and supplemented by a certificate of an authorized officer of the Authority dated June __, 2012, 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 Series 2012[A/B] Pooled Program Bonds are direct and special obligations of the Authority payable solely from the [Series 2012 [A/B] Pooled Program 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 2012 [A/B] Pooled Program 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 2012 [A/B] Pooled Program 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 2012", the "Borough of Chester Bonds" and the "County Chapter 12 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 Series 2012[A/B] 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 Series 2012[A/B] Pooled Program Bonds with respect thereto, the terms and conditions upon which the Series 2012[A/B] 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 Series 2012[A/B] Pooled Program Bonds are one of two 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.

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 Series 2012[A/B] 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.

Optional Redemption. The Series 2012[A/B] Pooled Program Bonds maturing before _____ shall not be subject to redemption prior to their respective maturity dates. The Series 2012[A/B] Pooled Program Bonds maturing on and after _____ shall be subject to redemption prior to their respective maturity dates, on or after _____ at the option of the Authority at the direction of the Local Units, upon notice as herein described, either in whole, or in part at any time, at a redemption price equal to 100% of the principal amount to be redeemed (the "Redemption Price"), plus interest accrued to the date of redemption.

Mandatory Sinking Fund Redemption. The Series 2012[A/B] Pooled Program Bonds maturing on _____ shall be subject to mandatory sinking fund redemption prior to maturity beginning on _____ and annually on each _____ thereafter, at the principal amount thereof, plus accrued interest to the date of redemption, in the years and principal amounts set forth below:

Year

Principal Amount

* Final maturity.

The principal of, Redemption Price, if any, and interest on, the Series 2012[A/B] Pooled Program Bonds are payable solely from the Pooled Program 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 Pooled Program 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

POOLED TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2012[A/B] Pooled Program Bonds delivered pursuant to the within mentioned Pooled Program Bond Resolution.

**U.S. Bank National Association, as
Pooled Trustee**

**By: _____
Authorized Signatory**

GUARANTY OF THE COUNTY OF MORRIS, NEW JERSEY

The payment of the principal and redemption premium, if any, of and interest on the within Series 2012[A/B] 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 2012[A/B] 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: _____
William J. Chegwiddden
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:

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.

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 May 16, 2012 at the Authority's principal corporate office in Morristown, New Jersey.

Attested to this 16th day of May, 2012

By: _____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of May 16, 2012

By: _____

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

EXHIBIT A

Financing Documents

[00032723-]

EXHIBIT B

Form of Continuing Disclosure Agreements

RESOLUTION NO. 12-15

**RESOLUTION OF THE BOARD OF COMMISSIONERS
MORRIS COUNTY IMPROVEMENT AUTHORITY**

TITLE:

RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY CONCERNING THE REVIEW OF FINDINGS AND RECOMMENDATIONS OF THE LOCAL FINANCE BOARD PURSUANT TO LOCAL AUTHORITIES FISCAL CONTROL LAW AND OTHER APPLICABLE LAW, ALL IN CONNECTION WITH THE AUTHORITY'S COUNTY OF MORRIS GUARANTEED POOLED PROGRAM BONDS, SERIES 2012 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,200,000

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 "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 Authority is authorized by law to finance public facilities through the acquisition of debt, including without limitation (i) the general obligation bonds in a not to exceed aggregate principal amount of approximately \$8,500,000 (the "County Chapter 12 Bonds"), (ii) the general obligation bonds in an aggregate principal amount of approximately \$5,200,000 (the "Chester Bond") of the Borough of Chester, in the County of Morris (the "Borough of Chester" and together with the County of Morris, each a "Local Unit" and collectively, the "Local Units") and (iii) lease revenue bonds of the Authority;

WHEREAS, on August 30, 2011 the Authority issued its County of Morris Guaranteed Pooled Program Bonds, Series 2011" (the "Series 2011 Pooled Program Bonds") and "County of Morris Guaranteed Pooled Program Notes, Series 2011" (the "Series 2011 Pooled Program Notes" and together with the Series 2011 Pooled Program Bonds, the "Series 2011 Obligations") for the acquisition of, respectively, the Authority's "Lease Revenue Bonds, Series 2011A" (the

“Series 2011 Lease Revenue Bonds”) and the Authority’s “Lease Revenue Notes, Series 2011A (the “Series 2011 Lease Revenue Notes”) for the purpose of, among other local unit projects, a portion of 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 Public Safety Project") at the facility located in Parsippany-Troy Hills as Block 7, Lot 2 (the “Project Property”), as more fully set forth on Exhibit A to that certain Property and Infrastructure Lease Purchase Agreement entered into between the Authority and the County as a Local Unit in connection therewith (collectively, the "Original Lease Agreement");

WHEREAS, the County desires to (i) refund the Authority Series 2011 Lease Revenue Note and finance the balance of the County of Morris Public Safety Project (collectively, the “Series 2012 County Project”) through the issuance of Authority Lease Revenue Bonds, Series 2012 (the “Series 2012 Lease Revenue Bonds” and together with the Series 2011 Authority Lease Revenue Bonds and the Series 2011 Authority Lease Revenue Note, the “Authority Lease Revenue Bonds”) and (ii) fund renovations for the County College of Morris through the issuance of its County Chapter 12 Bond (the “County Chapter 12 Project” and together with the Series 2012 County Project, the “County Projects”) all as set forth on Exhibit A to an agreement (the "County Loan Agreement") by and between the County and the Authority with respect to the Series 2012B Pooled Bonds;

WHEREAS, the Authority Series 2012 Lease Revenue Bonds, the County Chapter 12 Bond and the Borough of Chester Bonds shall be collectively referred to as the "Privately Placed Bonds";

WHEREAS, the Borough of Chester has (i) heretofore issued bond anticipation notes for various projects as set forth in the several bond ordinances (the “Borough of Chester Prior Notes”) and now desires to refund the Borough of Chester Prior Notes and (ii) finally adopted a new bond ordinance for additional projects (collectively, the "Borough of Chester Project" and together with the Series 2012 County Project and the County Chapter 12 Project, the “Series 2012 Projects”) all as set forth on Exhibit A to an agreement (the "Borough of Chester Loan Agreement" and together with the County Loan Agreement, the “Loan Agreements”) by and between the Borough of Chester and the Authority;

WHEREAS, the Authority Series 2012 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" as amended and supplemented by a Certificate of an Authorized Officer of the Authority dated August 30, 2011, as further amended and supplemented by a Certificate of an Authorized Officer of the Authority dated the date of issuance of the Series 2012 Lease Revenue Bonds (collectively, the “Lease Revenue Bone Resolution”, the Act and other applicable law;

WHEREAS, the Borough of Chester Bonds will be issued pursuant to the several bond ordinances of the Borough of Chester, a resolution of the Borough of Chester (the "Borough of Chester Bond Resolution") and other applicable law;

WHEREAS, the principal of, and interest on the Authority Series 2012 Lease Revenue Bonds shall be paid from certain rental payments made by the County of Morris in accordance with the terms of the Original Lease Agreement, as amended and supplemented by that certain Amendment No. 1 to Lease Agreement (the "Lease Amendment No. 1" and together with the Original Lease Agreement, the "Lease Agreement") and as otherwise set forth in the Lease Revenue Bond Resolution;

WHEREAS, pursuant to the terms of the Lease Agreement, the Authority contemplates taking nominal title to the County of Morris Public Safety Project for the term set forth therein, then leasing the County of Morris Public Safety Project to the County 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 Public Safety Project to the County for nominal consideration;

WHEREAS, pursuant to the terms of the County Loan Agreement, the County will acquire or retain, as the case may be, all right, title and interest to the County Chapter 12 Project, and the Authority acquires no interest therein except as may be expressly set forth in the County Loan Agreement;

WHEREAS, the principal of, and interest on the County Chapter 12 Bonds shall be paid from general obligation payments of the County;

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

WHEREAS, the principal of, and interest on the Borough of Chester Bonds shall be paid from general obligation payments of the Borough of Chester;

WHEREAS, the Authority shall deposit the proceeds of the Authority Series 2012 Lease Revenue Bonds issued under the Lease Revenue Bond Resolution with U.S. Bank National Association, the trustee 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 Public Safety Project; (ii) payment of the Series 2011 Lease Revenue Note, (iii) certain accrued interest to the extent set forth in the Lease Revenue Bond Resolution; (iv) certain costs of issuance to be identified in the Lease Revenue Bond Resolution; (v) capitalized interest on the Authority Series 2012 Lease Revenue Bonds, if any and (vi) such other items as shall be set forth in the Lease Revenue Bond Resolution;

WHEREAS, simultaneously with the issuance of the Authority Series 2012 Lease Revenue Bonds, the Authority shall deposit a portion of the proceeds of the Borough of Chester Bonds issued under the Borough of Chester Bond Resolution and the County Chapter 12 Bond issued under the County Chapter 12 Bond Resolution with the Pooled Trustee, as an equity contribution, to pay the cost of: (i) certain accrued interest attributable to the Borough of Chester Bonds or the County Chapter 12 Bonds, as the case may be, to the extent set forth in the Pooled Program Bond Resolution; (ii) certain costs of issuance attributable to the Borough of Chester Bonds and the County Chapter 12 Bonds to be identified in the hereinafter defined Series 2012

Pooled Program Bond Resolution; (iii) capitalized interest on the Borough of Chester Bonds and the County Chapter 12 Bonds, if any and (iv) such other items as shall be set forth in the Series 2012 Pooled Program Bond Resolution;

WHEREAS, (i) the Authority Series 2012 Lease Revenue Bonds and the Borough of Chester Bonds will be purchased with the proceeds from the Authority's "County of Morris Guaranteed Pooled Program Bonds, Series 2012A" (the "Series 2012A Pooled Program Bonds" and (ii) the County Chapter 12 Bonds will be purchased with the proceeds from the Authority's "County of Morris Guaranteed Pooled Program Bonds, Series 2012B" (the "Series 2012B Pooled Program Bonds" and together with the Series 2012A Pooled Program Bonds, the "Series 2012 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 "Series 2012 Pooled Program Bond Resolution" and together with the Lease Revenue Bond Resolution, the "Bond Resolutions");

WHEREAS, the Series 2012A Bonds may be divided into two separate series should the need arise due to structuring of Chester's debt service;

WHEREAS, the Authority Series 2012 Pooled Program Bonds and the Authority Series 2012 Lease Revenue Bonds shall be collectively referred to as, the "Bonds";

WHEREAS, the issuance of the Authority Series 2012 Pooled Program Bonds for the purpose of acquiring the Privately Placed Bonds to finance the Series 2012 Projects shall collectively be referred to as the "Project");

WHEREAS, the principal of, redemption premium, if any, and interest on the Authority Series 2012A Pooled Program Bonds shall be secured by the pledge of the Series 2012A Trust Estate as defined in the Series 2012 Pooled Program Bond Resolution by the Authority to the U.S. Bank National Association, the Pooled Trustee named therein (the "Pooled Trustee" and together with the Lease Revenue Trustee, the "Trustees"), which Series 2012A Trust Estate shall include, among other things, the Lease Agreement; the Loan Agreement; the principal of, redemption premium, if any, and interest on the Borough of Chester Bond, the payment on which shall be made by the Borough of Chester 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 Chester, without limitation as to rate or amount, and which Borough of Chester Bond shall be assigned by the Authority to the Pooled Trustee as further security for the payment of the Series 2012A Pooled Program Bonds in accordance with the terms of the Series 2012 Pooled Program Bond Resolution and the Loan Agreement; and the principal of, redemption premium, if any, and interest on the Authority Series 2012A Lease Revenue Bonds and which Authority Series 2012A Lease Revenue Bonds shall be assigned by the Authority to the Pooled Trustee as further security for the payment of the Series 2012A Pooled Program Bonds in accordance with the terms of the Series 2012 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, the principal of, redemption premium, if any, and interest on the Authority Series 2012B Pooled Program Bonds shall be secured by the pledge of the Series 2012B Trust Estate as defined in the Series 2012 Pooled Program Bond Resolution by the Authority to the Pooled Trustee, which Series 2012B Trust Estate shall include, among other things, the County Loan Agreement; the principal of, redemption premium, if any, and interest on the County Chapter 12 Bond, the payment on which shall be made by the County 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 County, without limitation as to rate or amount, and which County Chapter 12 Bond shall be assigned by the Authority to the Pooled Trustee as further security for the payment of the Series 2012B Pooled Program Bonds in accordance with the terms of the Series 2012 Pooled Program Bond Resolution and the County Loan Agreement;

WHEREAS, payment of the principal of (including mandatory sinking fund installments, if any) and interest on the Authority Series 2012 Pooled Program Bonds, to be issued in two or more series as bond and/or notes (including the Series 2012A Pooled Program Bonds and the Series 2012B Pooled Program Bonds), shall be fully, unconditionally and irrevocably guaranteed in an aggregate principal amount not to exceed \$30,200,000 in accordance with (i) the terms of one or more guaranty ordinances of the County (which shall in the aggregate total to \$30,200,000) 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 on the face of each Series 2012 Pooled Program Bond and (iii) as may be required by any rating agency, underwriter, Series 2012 Pooled Program Bond purchaser or other entity that will allow the Authority to sell the Authority Series 2012 Pooled Program Bonds at the lowest possible cost to the Local Units, an agreement setting forth the County's obligation to make any such guaranty payments in accordance with and within the parameters set forth in this ordinance (collectively, the "Series 2012 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 (as defined in the Pooled Bond Resolution") applicable to the Authority Series 2012 Pooled Program Bonds pledged by the Authority to the Pooled Trustee under the Series 2012 Pooled Program Bond Resolution;

WHEREAS, a guaranty ordinance securing the payment of the principal of (including mandatory sinking fund installments, if any) and interest on the portion of the Series 2012A Pooled Program Bonds relating to the purchase of Series 2012 Lease Revenue Bond in a not to exceed amount of \$37,700,000 was previously adopted on June 8, 2011, as amended on July 13, 2011 (the "Series 2011 County Guaranty Ordinance") to secure the Series 2011 Obligations;

WHEREAS, since the County has determined that for clarity purposes it is necessary to adopt the Series 2012 County Guaranty for the Series 2012 Pooled Program Bonds, the portion of the Series 2011 County Guaranty Ordinance that has been authorized for the Series 2012 Project that remains authorized but unissued and deemed no longer necessary, after the issuance of the Series 2012 Pooled Program Bonds, shall be removed from the books of the County;

WHEREAS, in accordance with the terms of the Lease Revenue Bond Resolution, the Series 2012 Pooled Program Bond Resolution, the Series 2012 County Guaranty, the Lease Agreement and the Loan Agreements, the Trustee shall not notify the County of the possible

need for payments from the County under the Series 2012 County Guaranty to pay all of a portion of the principal of and interest on the Authority Series 2012 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 Series 2012 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 Authority Series 2012 Pooled Program 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 Series 2012 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 Series 2012 Lease Revenue Bonds and the Authority Series 2012 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 County Chapter 12 Bonds and the Borough of Chester 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 Authority Series 2012 Pooled Program Bonds, the Project and the other transactions contemplated hereby (the "Preliminary Official Statement"), (iii) upon the direction of the Chairman, either sell the Series 2012 Pooled Bonds by competitive sale through a notice of sale ("*Notice of Sale*") or select an underwriter to purchase all of the Series 2012 Pooled Bonds (the "*Underwriter*") and 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 Authority's Series 2012 Pooled Program Bonds (the "Bond Purchase Agreement"), (iv) execute and deliver a final Official Statement incorporating the terms of the sale of the Authority Series 2012 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 Authority Series 2012 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 County and the Borough of Chester 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 Series 2012 Lease Revenue Bonds, the County Chapter 12 Bonds and the Borough of Chester 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, the County and the Borough of Chester 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;

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 Series 2012 Pooled Program Bond Resolution, the Series 2012 Supplemental 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");

WHEREAS, the Local Finance Board at a meetings held on May 9, 2012, did issue favorable findings (the "Findings") with respect to the Bonds, the Project and the other matters contemplated herein, a copy of which Findings are attached hereto as Exhibit A; and

WHEREAS, N.J.S.A. 40A:5A-7 requires, among other things, that the Commissioners of the Authority, within forty-five (45) days of receipt of the Findings, shall certify to the Local Finance Board by adoption of this resolution and by execution and delivery of that certain group affidavit attached hereto as Exhibit B and incorporated herein as if fully set forth at length (the "Group Affidavit") that such Commissioners have personally reviewed the Findings; and

WHEREAS, failure to comply with this requirement may subject the members of the Authority to the penalty provisions of N.J.S.A. 52:27BB-52.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Authority as follows:

Section 1. Each Commissioner of the Authority, having personally reviewed the Findings, is hereby authorized to execute the Group Affidavit to such effect set forth in Exhibit B attached hereto.

Section 2. After execution of the Group Affidavit, the Authority will have complied with the requirements of N.J.S.A. 40A:5A-7 with respect to the Findings; accordingly, the Authority does hereby severally authorize and direct the Secretary of the Authority or Inglesino, Pearlman, Wyciskala & Taylor, LLC, counsel to the Authority, to submit to the Local Finance Board a certified copy of this resolution and such fully authorized and executed Group Affidavit evidencing the Authority's compliance therewith.

Section 3. This resolution shall take effect immediately.

EXHIBIT A

COPY OF LOCAL FINANCE BOARD FINDINGS

EXHIBIT B

GROUP AFFIDAVIT

State of New Jersey :
County of Morris :

We, the members of **THE MORRIS COUNTY IMPROVEMENT AUTHORITY**, being of full age and being duly sworn according to law, upon our oath depose and say:

1. We, the undersigned, are the duly appointed Commissioners of the Morris County Improvement Authority.

2. We, the undersigned, certify that, pursuant to N.J.S.A. 40A:5A-7, we have personally reviewed the findings and recommendations of the Local Finance Board issued pursuant to a meeting and hearing of the Local Finance Board on May 9, 2012 with respect to the Bonds, the Project and such other matters contemplated by the Authority's resolution adopted May 16, 2012 and entitled, "RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY CONCERNING THE REVIEW OF FINDINGS AND RECOMMENDATIONS OF THE LOCAL FINANCE BOARD PURSUANT TO LOCAL AUTHORITIES FISCAL CONTROL LAW AND OTHER APPLICABLE LAW, ALL IN CONNECTION WITH THE AUTHORITY'S COUNTY OF MORRIS GUARANTEED POOLED PROGRAM BONDS, SERIES 2012 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,200,000".

<u>Name</u>	<u>Signature</u>
John Bonanni	_____
Frank T. Pinto, Jr.	_____
Christina Ramirez	_____
Glenn Roe	_____
Ellen Sandman	_____

Sworn to and subscribed before me
this 16th day of May, 2012.

Notary Public
State of New Jersey

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 May 16, 2012 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 16th day of May, 2012

By: _____

Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of May 16, 2012

By: _____

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

