

**DORMITORY AUTHORITY OF  
THE STATE OF NEW YORK**

**SAINT MARY'S HOSPITAL FOR CHILDREN  
REVENUE BOND RESOLUTION**

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**Adopted October 16, 2019**

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**A RESOLUTION AUTHORIZING THE ISSUANCE BY THE  
DORMITORY AUTHORITY OF THE STATE OF NEW YORK  
OF ITS SAINT MARY'S HOSPITAL FOR CHILDREN  
REVENUE BONDS; PROVIDING FOR THE PAYMENT OF  
THE PRINCIPAL OF AND INTEREST ON SUCH BONDS;  
AND PROVIDING FOR THE RIGHTS OF THE HOLDERS  
THEREOF.**

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**SAINT MARY'S HOSPITAL FOR CHILDREN  
REVENUE BOND RESOLUTION:**

**A RESOLUTION AUTHORIZING THE ISSUANCE BY THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK OF ITS SAINT MARY'S HOSPITAL FOR CHILDREN REVENUE BONDS; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS THEREOF.**

**BE IT RESOLVED BY THE DORMITORY AUTHORITY OF THE STATE OF NEW YORK AS FOLLOWS:**

**ARTICLE I.**

**DEFINITIONS; CONTRACT AND AUTHORITY**

**SECTION 1.01 Definitions.** Unless otherwise defined within the text hereof or the context clearly indicates a different meaning, all terms defined in a Loan Agreement shall have the same meanings, respectively, herein as such terms are given therein. In addition, the following terms shall have the following respective meanings:

**Accreted Value** means with respect to any Capital Appreciation Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Resolution authorizing such Capital Appreciation Bond or the Bond Series Certificate relating thereto and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Accreted Values for such Valuation Dates.

**Act** means the Dormitory Authority Act being Title 4 of Article 8 of the Public Authorities Law of the State, as amended, including, without limitation, by the Healthcare Financing Consolidation Act, being Title 4-B of Article 8 of the Public Authorities Law of the State of New York, as amended.

**Applicable** means (i) with respect to any Construction Fund, Arbitrage Rebate Fund, Debt Service Fund, Debt Service Reserve Fund, or any other fund or account therein, the fund or account so designated and established by an Applicable Series Resolution or Bond Series Certificate authorizing an Applicable Series of Bonds, (ii) with respect to any Debt Service Reserve Fund Requirement, the said requirement established in connection with a Series of Bonds by the Applicable Series Resolution or Bond Series Certificate, (iii) with respect to any Series Resolution, such Series Resolution relating to an Applicable Series of Bonds, (iv) with respect to any Series of Bonds, the Series of Bonds issued under a Series Resolution, (v) with respect to any Loan Agreement, such Loan Agreement by and between the Authority and the Institution and the contractual obligations contained therein, (vi) with respect to a Bond Series Certificate, such certificate authorized pursuant to an Applicable Series Resolution, (vii) with respect to any Credit Facility, or Reserve Fund Facility and the Provider thereof, if any, such Credit Facility, Reserve Fund Facility or the Provider relating to an

Applicable Series of Bonds and (viii) with respect to any other item or document, agreement or instrument, such other item or document, agreement or instrument relating to an Applicable Series of Bonds.

**Appreciated Value** means with respect to any Deferred Income Bond (i) as of any Valuation Date, the amount set forth for such date in the Series Resolution authorizing such Deferred Income Bond or in the Bond Series Certificate relating to such Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Appreciated Value accrues during any semiannual period in equal daily amounts on the basis of a year of twelve (12) thirty-day months, and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

**Arbitrage Rebate Fund** means the fund so designated and established by a Series Resolution pursuant to Section 5.02 hereof.

**Assignment Agreement** means, with respect to a Loan Agreement, the Authority's assignment of certain of its rights, subject to certain retained rights, under an Applicable Loan Agreement in accordance with Section 1.04 hereof.

**Authority** means the Dormitory Authority of the State of New York, a body corporate and politic constituting a public benefit corporation of the State created by the Act, or any body, agency or instrumentality of the State which shall hereafter succeed to the rights, powers, duties and functions of the Authority.

**Authorized Denomination** means \$100,000 and any integral multiple of \$100,000, provided that one Bond of each Series may be Outstanding in an integral multiple of \$5,000 in excess of \$100,000.

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

**Authorized Officer** means (i) in the case of the Authority, the Chair, Vice-Chair, the Treasurer, an Assistant Treasurer, the Secretary, an Assistant Secretary, the Executive Director, the Deputy Executive Director, the Chief Financial Officer, the General Counsel, a Managing Director, and when used with reference to any act or document also means any other person authorized by a resolution or the by-laws of the Authority to perform such act or execute such document; (ii) in the case of the Institution, the person or persons authorized to perform any act or sign any document by or pursuant to a resolution of the Institution's Board of Trustees or its Executive Committee or the by-laws of the Institution; and (iii) in the case of the Trustee, the President, a Vice President, a Corporate Trust Officer, an Assistant Corporate Trust Officer, a Trust Officer or an Assistant Trust Officer of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

**Bond or Bonds** means any of the bonds of the Authority authorized and issued pursuant hereto and to a Series Resolution.

**Bond Counsel** means a law firm appointed by the Authority with respect to a Series of Bonds, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

**Bond Series Certificate** means a certificate of an Authorized Officer of the Authority fixing terms, conditions and other details of Bonds of a Series in accordance with the delegation of power to do so hereunder or under a Series Resolution as it may be amended from time to time.

**Bond Year** means, unless otherwise stated in a Series Resolution, a period of twelve (12) consecutive months established beginning November 15 in any calendar year and ending on November 14 of the succeeding calendar year unless otherwise stated in a Series Resolution, as it may be amended from time to time.

**Bondholder, Holder of Bonds or Holder** or any similar term, when used with reference to a Bond or Bonds of a Series, means the registered owner of any Bonds of such Series.

**Book Entry Bond** means a Bond of a Series authorized to be issued, and issued to and registered in the name of, a Depository for the participants in such Depository or the beneficial owner of such Bond.

**Business Day** means, unless otherwise defined in connection with Bonds of a particular Series, any day which is not a Saturday, Sunday or a day on which the Trustee or banking institutions chartered by the State or the United States of America are legally authorized to close in The City of New York.

**Capital Appreciation Bond** means any Bond as to which interest accruing thereon is compounded on each Valuation Date for such Bond and is payable only at the maturity or prior redemption thereof.

**Code** means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

**Construction Fund** means the fund so designated and established by a Series Resolution pursuant to Section 5.02 hereof.

**Cost or Costs of Issuance** means the items of expense incurred in connection with the authorization, sale and issuance of Bonds of a Series, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee, a Facility Provider or a Depository, legal fees and charges, professional consultants' fees, fees and charges for execution, transportation and safekeeping of such Bonds, premiums, fees and charges for insurance on such Bonds, commitment fees or similar charges relating to a Reserve Fund Facility, a Liquidity Facility, a Credit Facility, an Interest Rate Exchange Agreement or a Remarketing Agreement, costs and expenses of refunding such Bonds or other bonds or notes of the Authority, and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

**Cost or Costs of the Project** means costs and expenses or the refinancing of costs

and expenses determined by the Authority to be necessary in connection with a Project, including, but not limited to, (i) costs and expenses of the acquisition of the title to or other interest in real property, including easements, rights-of-way and licenses, (ii) costs and expenses incurred for labor and materials and payments to contractors, builders and materialmen, for the acquisition, construction, reconstruction, rehabilitation, repair and improvement of a Project, (iii) the cost of surety bonds and insurance of all kinds, including premiums and other charges in connection with obtaining title insurance, that may be required or necessary prior to completion of a Project, which is not paid by a contractor or otherwise provided for, (iv) the costs and expenses for design environmental inspections and assessments, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction of a Project, (v) costs and expenses required for the acquisition and installation of equipment or machinery, (vi) all other costs which the Institution shall be required to pay or cause to be paid for the acquisition, construction, reconstruction, rehabilitation, repair, improvement and equipping of a Project, (vii) any sums required to reimburse the Institution or the Authority for advances made by them for any of the above items or for other costs incurred and for work done by them in connection with a Project (including interest on moneys borrowed from parties other than the Institution), (viii) interest on the Bonds of a Series, bonds, notes or other obligations of the Authority issued to finance Costs of the Project that accrued prior to, during and for a reasonable period after completion of the acquisition, construction, reconstruction, rehabilitation, repair, improvement or equipping of the Project, and (ix) fees, expenses and liabilities of the Authority incurred in connection with such Project or pursuant hereto or to the Loan Agreement(s), the Mortgage(s), a Liquidity Facility, a Credit Facility, a Reserve Fund Facility, Interest Rate Exchange Agreement or a Remarketing Agreement.

**Counterparty** means any person with which the Authority or the Institution has entered into an Interest Rate Exchange Agreement, provided that, at the time the Interest Rate Exchange Agreement is executed, the senior or uncollateralized long-term debt obligations of such person, or of any person that has guaranteed for the term of the Interest Rate Exchange Agreement the obligations of such person thereunder, are rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, not lower than in the third highest rating category by each Rating Service.

**Credit Facility** means, with respect to a Series of Bonds, an irrevocable letter of credit, surety bond, loan agreement, or other agreement, facility or insurance or guaranty arrangement pursuant to which the Authority is entitled to obtain money to pay the principal and Sinking Fund Installments, if any, of and interest on particular Bonds whether or not the Authority is in default hereunder, which is issued or provided by:

(i) a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank or a saving and loan association;

(ii) an insurance company or association chartered or organized under the laws of any state of the United States of America;

(iii) the Government National Mortgage Association or any successor thereto;

- (iv) the Federal National Mortgage Association or any successor thereto; or
- (v) any other federal agency or instrumentality approved by the Authority

Any such Credit Facility may also constitute a Liquidity Facility if it also meets the requirements of the definition of a Liquidity Facility contained below in this Section 1.01.

**Debt Service Fund** means the fund so designated and established by a Series Resolution pursuant to Section 5.02 hereof.

**Debt Service Reserve Fund** means a reserve fund for the payment of the principal and Sinking Fund Installments, if any, of and interest on a Series of Bonds so designated, created and established by the Authority by or pursuant to a Series Resolution.

**Debt Service Reserve Fund Requirement** means the amount of moneys required to be deposited in the Debt Service Reserve Fund as determined in accordance with a Series Resolution pursuant to which such Debt Service Reserve Fund has been established.

**Defeasance Security** means:

- (i) a Government Obligation of the type described in clauses (i), (ii), (iii) or (iv) of the definition of Government Obligation;
- (ii) a Federal Agency Obligation described in clauses (i) or (ii) of the definition of Federal Agency Obligation; and
- (iii) an Exempt Obligation, provided such Exempt Obligation (a) is not subject to redemption prior to maturity other than at the option of the holder thereof or as to which irrevocable instructions have been given to the trustee of such Exempt Obligation by the obligor thereof to give due notice of redemption and to call such Exempt Obligation for redemption on the date or dates specified in such instructions and such Exempt Obligation is not otherwise subject to redemption prior to such specified date other than at the option of the holder thereof, (b) is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or Government Obligations, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such Exempt Obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in clause (i) above, (c) as to which the principal of and interest on the direct obligations of the United States of America which 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 such Exempt Obligation on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in clause (i) above, and (d) is rated by at least two Rating Service(s) in the highest rating category for such Exempt Obligation;

**provided, however,** that for purposes of (i), (ii) and (iii) above, such term shall not include (1) any interest in a unit investment trust or mutual fund or (2) any obligation that is subject to redemption prior to maturity other than at the option of the holder thereof; and

- (iv) any other investments acceptable to the Rating Service(s) for defeasance.

**Deferred Income Bond** means any Bond as to which interest accruing thereon prior

to the Interest Commencement Date of such Bond is compounded on each Valuation Date for such Bond, and as to which interest accruing after the Interest Commencement Date is payable semiannually dates established in a Series Resolution or Bonds Series Certificate.

**Depository** means the Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State, or its nominee, or any other person, firm, association or corporation designated in the Series Resolution authorizing a Series of Bonds or a Bond Series Certificate relating to a Series of Bonds to serve as securities depository for the Bonds of such Series.

**Exempt Obligation** means:

(i) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, the interest on which is excludable from gross income under Section 103 of the Code, which is not a “specified private activity bond” within the meaning of Section 57(a)(5) of the Code and which, at the time an investment therein is made or such obligation is deposited in any fund or account hereunder, is rated, without regard to qualification of such rating by symbols such as “+” or “-” and numerical notation, no lower than the second highest rating category for such obligation by at least two Rating Service(s);

(ii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing; and

(iii) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations.

**Facility Provider** means the issuer of a Reserve Fund Facility, a Credit Facility or a Liquidity Facility.

**Federal Agency Obligation** means:

(i) an obligation issued by any federal agency or instrumentality approved by the Authority;

(ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by a federal agency approved by the Authority;

(iii) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing; and

(iv) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations.

**Government Obligation** means:

- (i) a direct obligation of the United States of America;
- (ii) an obligation the principal of and interest on which are fully insured or guaranteed as to payment by the United States of America;
- (iii) an obligation to which the full faith and credit of the United States of America are pledged;
- (iv) a certificate or other instrument which evidences the beneficial ownership of, or the right to receive all or a portion of the payment of the principal of or interest on any of the foregoing; and
- (v) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, wholly comprised of any of the foregoing obligations.

**Guaranty** means an agreement, if any, in which a third party guarantees to satisfy certain payment and/or performance obligations of the Institution under a Loan Agreement in the event and to the extent that the Institution fails to fulfill such obligations.

**Institution** means Saint Mary's Hospital for Children, Inc., a not-for-profit corporation duly incorporated and existing under the laws of the State.

**Intercreditor Agreement** means an intercreditor agreement, if any, among one or more Providers, if any, with respect to any Series of Bonds issues hereunder, the Trustee, the Authority and any creditors sharing in a parity lien or a subordinate lien on the Pledged Revenues and the Mortgaged Property, together with their successors and assigns, in connection with the rights and remedies of such parties in respect to the Applicable Mortgage, the Applicable Mortgage Property, the Applicable Pledged Revenues and certain other moneys held under the Resolution, as from time to time amended or supplemented.

**Interest Commencement Date** means, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Applicable Series Resolution authorizing such Bond or the Applicable Bond Series Certificate relating to such Bond, after which interest accruing on such Bond shall be payable on the interest payment date immediately succeeding such Interest Commencement Date and semiannually thereafter, unless otherwise set forth in the Applicable Series Resolution or Bond Series Certificate.

**Interest Rate Exchange Agreement** means (i) an agreement entered into by the Authority or the Institution in connection with the issuance of or which relates to Bonds of a Series which provides that during the term of such agreement the Authority or the Institution is to pay to the Counterparty an amount based on the interest accruing at a fixed or variable rate per annum on an amount equal to a principal amount of such Bonds and that the Counterparty is to pay to the Authority or the Institution an amount based on the interest accruing on a principal amount equal to the same principal amount of such Bonds at a fixed or variable rate per annum, in each case computed according to a formula set forth in such agreement, or that one shall pay to the other any net amount due under such agreement or (ii) interest rate cap agreements, interest rate floor agreements, interest rate collar agreements and any other interest rate related hedge agreements or arrangements.

**Investment Agreement** means an agreement for the investment of moneys with a Qualified Financial Institution.

**Liquidity Facility** means, with respect to a Series of Bonds, an irrevocable letter of credit, a surety bond, a loan agreement, a Standby Purchase Agreement, a line of credit or other agreement or arrangement pursuant to which money may be obtained upon the terms and conditions contained therein for the purchase of Bonds tendered for purchase in accordance with the terms of the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds, which is issued or provided by:

- (i) a bank, a trust company, a national banking association, an organization subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a savings bank, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank or a savings and loan association;
- (ii) an insurance company or association chartered or organized under the laws of any state of the United States of America;
- (iii) the Government National Mortgage Association or any successor thereto;
- (iv) the Federal National Mortgage Association or any successor thereto; or
- (v) any other federal agency or instrumentality approved by the Authority.

**Loan Agreement(s)** means a Building Loan Agreement, a Project Loan Agreement or any other agreement, by and between the Authority and the Institution in connection with the issuance of a Series of Bonds, as the same shall have been amended, supplemented or otherwise modified as permitted hereby and by such Loan Agreement(s).

**Maximum Interest Rate** means, with respect to any particular Variable Interest Rate Bond, the numerical rate of interest, if any, set forth in the Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond, that shall be the maximum rate at which such Bond may bear interest at any time.

**Minimum Interest Rate** means, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, if any, set forth in the Series Resolution authorizing such Bond or in the Bond Series Certificate relating to such Bond, that shall be the minimum rate at which such Bond may bear interest at any time.

**Mortgage(s)** means a mortgage granted by the Institution to the Authority in connection with the issuance of a Series of Bonds, if any, in form and substance satisfactory to an Authorized Officer of the Authority, on the Mortgaged Property mortgaged in connection therewith as security for the performance of the Institution's obligations under the Loan Agreement(s) with respect to such Series of Bonds, as such Mortgage(s) may be amended or modified from time to time with the consent of the Authority.

**Mortgaged Property** means the land or interest therein described in each Mortgage, if any, together with the buildings and improvements thereon or hereafter erected thereon and the



furnishings and equipment owned by the Institution located thereon or therein as may be specifically identified in a Mortgage.

**Option Bond** means any Bond of a Series which by its terms may be or is required to be tendered by and at the option of the Holder thereof for redemption by the Authority prior to the stated maturity thereof or for purchase by the Authority prior to the stated maturity thereof or the maturity of which may be extended by and at the option of the Holder thereof in accordance with the Applicable Series Resolution authorizing such Bonds or the Applicable Bond Series Certificate related to such Bonds.

**Outstanding**, when used in reference to Bonds of a Series, means, as of a particular date, all Bonds of such Series authenticated and delivered hereunder and under a Series Resolution except:

- (i) any Bond canceled by the Trustee on or before such date;
- (ii) any Bond deemed to have been paid in accordance with Section 12.01 hereof;
- (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Article III, Section 4.06 or Section 10.06 hereof; and
- (iv) any Option Bonds tendered or deemed tendered in accordance with the provisions of the Applicable Series Resolution authorizing such Bonds or the Applicable Bond Series Certificate relating to such Bonds on the applicable adjustment or conversion date, if interest thereon shall have been paid through such applicable date and the purchase price thereof shall have been paid or amounts are available for such payment as provided herein and in the Applicable Series Resolution authorizing such Bonds or the Applicable Bond Series Certificate relating to such Bonds.

**Parity Indebtedness** shall, if applicable with respect to a Series of Bonds, have the meaning given such term in the Applicable Loan Agreement.

**Paying Agent** means, with respect to a Series of Bonds, the Trustee and any other bank or trust company and its successor or successors, appointed pursuant to the provisions hereof or of a Series Resolution, a Bond Series Certificate or any other resolution of the Authority adopted prior to authentication and delivery of such Series of Bonds, for which such Paying Agent or Paying Agents shall be so appointed.

**Permitted Collateral** means:

- (i) Government Obligations described in clauses (i), (ii) or (iii) of the definition of Government Obligations;
- (ii) Federal Agency Obligations described in clauses (i) or (ii) of the definition of Federal Agency Obligations;
- (iii) commercial paper that (a) matures within two hundred seventy (270) days after its date of issuance, (b) is rated in the highest short term rating category by at least one Rating Service and (c) is issued by a domestic corporation whose unsecured senior debt is rated by at least one Rating Service no lower than in the second highest rating category;
- (iv) bankers' acceptances issued by a bank rated, at the time an investment therein

is made or the same is deposited in any fund or account hereunder, in the highest short term rating category by at least one Rating Service and having maturities of not longer than three hundred sixty five (365) days from the date they are pledged; or

(v) financial guaranty agreements, surety or other similar bonds or other instruments of an insurance company that has an equity capital of at least \$125,000,000 and is rated by Bests Insurance Guide or a Rating Service in the highest rating category.

**Permitted Investments** means:

(i) Government Obligations;

(ii) Federal Agency Obligations;

(iii) Exempt Obligations;

(iv) uncollateralized certificates of deposit that are fully insured by the Federal Deposit Insurance Corporation and issued by a banking organization authorized to do business in the State;

(v) collateralized certificates of deposit that are (a) issued by a banking organization authorized to do business in the State that has an equity capital of not less than \$125,000,000, whose unsecured senior debt, or debt obligations fully secured by a letter or credit, contract, agreement or surety bond issued by it, are, at the time an investment therein is made or the same is deposited in any fund or account hereunder, rated by at least one Rating Service in at least the second highest rating category, and (b) fully collateralized by Permitted Collateral;

(vi) commercial paper issued by a domestic corporation rated, at the time an investment therein is made or the same is deposited in any fund or account hereunder, in the highest short term rating category by at least one Rating Service and having maturities of not longer than two hundred seventy (270) days from the date of purchase;

(vii) bankers' acceptances issued by a bank rated, at the time an investment therein is made or the same is deposited in any fund or account hereunder, in the highest short term rating category by at least one Rating Service and having maturities of not longer than three hundred sixty five (365) days from the date they are purchased;

(viii) Investment Agreements that are fully collateralized by Permitted Collateral;

and

(ix) a share or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, whose objective is to maintain a constant share value of \$1.00 per share and that is rated, at the time an investment therein is made or the same is deposited in any fund or account hereunder, in the highest short term rating category by at least one Rating Service.

**Pledged Revenues** shall have the meaning required by the Applicable Series Resolution and given in the Applicable Loan Agreement, and the right to receive the same and the proceeds thereof.

**Prior Pledges** means the liens, pledges, charges, encumbrances and security interests, if any, made and given by the Institution on all or a portion of its Pledged Revenues to secure indebtedness existing at the time of issuance of the applicable Series of Bonds and permitted as a senior lien on such Pledged Revenues pursuant to the applicable Series Resolution.

**Project** means an eligible hospital project, nursing home project or other project qualified under the Act, which may include more than one part, financed in whole or in part from the proceeds of the sale of a Series of Bonds, as more particularly described herein, in or pursuant to a Series Resolution in or pursuant to a Bond Series Certificate.

**Project Loan Agreement** means a Project Loan Agreement, by and between the Authority and the Institution in connection with the issuance of a Series of Bonds, as the same shall have been amended, supplemented or otherwise modified as permitted hereby and by such Project Loan Agreement.

**Provider Payments** means the amount, certified by a Facility Provider to the Trustee, payable to such Facility Provider by the Institution on account of amounts advanced by it under a Reserve Fund Facility, a Credit Facility or a Liquidity Facility, including interest on amounts advanced and fees and charges with respect thereto.

**Qualified Financial Institution** means any of the following entities that has an equity capital of at least \$125,000,000 or whose obligations are unconditionally guaranteed by an affiliate or parent having an equity capital of at least \$125,000,000:

(i) a securities dealer, the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (a) that is on the Federal Reserve Bank of New York list of primary government securities dealers and (b) whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized statistical rating service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized statistical rating service no lower than in the highest rating category for such short term debt; **provided, however**, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility in connection with Outstanding Bonds of a Series;

(ii) a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, an insurance company or association chartered or organized under the laws of the United States of America, any state of the United States of America or any foreign nation, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized statistical rating service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized statistical rating service no lower than in the highest rating category for such short term debt; **provided, however**, that no short term rating may be utilized to determine whether an entity

qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility in connection with Outstanding Bonds of a Series;

(iii) a corporation affiliated with or which is a subsidiary of any entity described in (i) or (ii) above or which is affiliated with or a subsidiary of a corporation which controls or wholly owns any such entity, whose senior unsecured long term debt is at the time an investment with it is made is rated by at least one nationally recognized statistical rating service no lower than in the second highest rating category, or, in the absence of a rating on long term debt, whose short term debt is rated by at least one nationally recognized statistical rating service no lower than in the highest rating category for such short term debt; **provided, however**, that no short term rating may be utilized to determine whether an entity qualifies under this paragraph as a Qualified Financial Institution if the same would be inconsistent with the rating criteria of any Rating Service or credit criteria of an entity that provides a Credit Facility or financial guaranty agreement in connection with Outstanding Bonds of a Series;

(iv) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality approved by the Authority; or

(v) a corporation whose obligations, including any investments of any moneys held hereunder purchased from such corporation, are insured by an insurer that meets the applicable rating requirements set forth above.

**Rating Service(s)** means each of Fitch Ratings, Inc., Moody's Investors Service, Inc. and S&P Global Ratings, or their respective successors and assigns, in each case, which has, at the time of reference, assigned a rating to Outstanding Bonds at the request of the Authority.

**Record Date** means, unless a Series Resolution authorizing a Series of Bonds or a Bond Series Certificate relating thereto provides otherwise with respect to Bonds of such Series, the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding an interest payment date.

**Redemption Price**, when used with respect to a Bond of a Series, means the principal amount of such Bond plus the applicable premium, if any, payable upon redemption prior to maturity thereof pursuant hereto or to the Applicable Series Resolution or Bond Series Certificate.

**Refunding Bonds** means all Bonds, whether issued in or more Series of Bonds, authenticated and delivered on original issuance pursuant to Section 2.04 hereof, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 4.06 or Section 10.07 hereof.

**Remarketing Agent** means the person appointed by or pursuant to a Series Resolution authorizing the issuance of Option Bonds to remarket such Option Bonds tendered or deemed to have been tendered for purchase in accordance with such Series Resolution or the Bond Series Certificate relating to such Option Bonds.

**Remarketing Agreement** means, with respect to Option Bonds of a Series, an agreement either between the Authority and the Remarketing Agent, or among the Authority, the Institution and the Remarketing Agent, relating to the remarketing of such Bonds, as the same may

be amended or supplemented from time to time in accordance with the provisions thereof.

**Reserve Fund Facility** means a surety bond, insurance policy, letter of credit (and any confirming letter of credit) or other financial guaranty or instrument, authorized by or pursuant to a Series Resolution establishing a Debt Service Reserve Fund to be delivered in lieu of or substitution of all or a portion of the moneys otherwise required to be held in such Debt Service Reserve Fund.

**Resolution** means this Saint Mary's Hospital for Children Revenue Bond Resolution, adopted by the Authority October 16, 2019, as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions hereof.

**Revenues** means, with respect to a Series of Bonds, all payments received or receivable by the Authority which pursuant to the Applicable Loan Agreement are required to be paid to the Trustee for such Series of Bonds (except payments to the Trustee for the administrative costs and expenses or fees of the Trustee and payments to the Trustee for deposit to the Arbitrage Rebate Fund), and all amounts received as a consequence of the enforcement of such Loan Agreement(s), including but not limited to amounts derived from the foreclosure or sale of or other realization upon the Pledged Revenues or Mortgage(s) for such Series of Bonds.

**Serial Bonds** means the Bonds so designated in a Series Resolution or a Bond Series Certificate.

**Series** means all of the Bonds authenticated and delivered on original issuance and pursuant hereto and to the Applicable Series Resolution authorizing such Bonds as a separate Series of Bonds or a Bond Series Certificate, and any Bonds of such Series thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 4.06 or Section 10.07 hereof, regardless of variations in maturity, interest rate, Sinking Fund Installments, if any, or other provisions.

**Series Resolution** means a resolution of the Authority authorizing the issuance of a Series of Bonds or the conversion of the rate on the Bonds at the Mandatory Tender Date adopted by the Authority pursuant to Article II hereof.

**Sinking Fund Installment** means, with respect to a Series of Bonds, as of any date of calculation:

- (i) when used with respect to any Bonds of such Series, other than Option Bonds or Variable Interest Rate Bonds, so long as any such Bonds are Outstanding, the amount of money required by the Applicable Series Resolution pursuant to which such Bonds were issued or by the Applicable Bond Series Certificate relating thereto to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be Bonds entitled to such Sinking Fund Installment; and
- (ii) when used with respect to Option Bonds or Variable Interest Rate Bonds of a

Series, so long as such Bonds are Outstanding, the amount of money required by the Applicable Series Resolution pursuant to which such Bonds were issued or by the Applicable Bond Series Certificate relating thereto to be paid on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of a Bond, and said future date is deemed to be the date when a Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Option Bonds or Variable Interest Rate Bonds of such Series are deemed to be Bonds entitled to such Sinking Fund Installment.

**Standby Purchase Agreement** means, with respect to a Series of Bonds, an agreement pursuant to which a person is obligated to purchase an Option Bond or a Variable Interest Rate Bond tendered for purchase.

**State** means the State of New York.

**Sub-Series** means the grouping of the Bonds of a Series established pursuant to the Applicable Series Resolution or the Applicable Bond Series Certificate.

**Supplemental Resolution** means any resolution of the Authority amending or supplementing the Resolution, any Series Resolution or any Supplemental Resolution adopted and becoming effective in accordance with the terms and provisions of Article IX hereof.

**Tax Certificate** means the Tax Certificate and Agreement between the Institution and the Authority, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of the Bonds in which the Institution and the Authority make representations and agreements as to arbitrage and compliance with the provisions of Sections 141 through 150, inclusive, of the Internal Revenue Code of 1986, or any similar certificate, agreement or other instrument made, executed and delivered in lieu of said certificate, in each case as the same may be amended or supplemented.

**Term Bonds** means, with respect to a Series of Bonds, the Bonds so designated in a Series Resolution or a Bond Series Certificate and payable from Sinking Fund Installments.

**Trustee** means the bank or trust company appointed as Trustee for a Series of Bonds pursuant to a Series Resolution or Bond Series Certificate delivered hereunder and having the duties, responsibilities and rights provided for herein with respect to such Series, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant hereto.

**Valuation Date** means (i) with respect to any Capital Appreciation Bond, each date set forth in the Applicable Series Resolution authorizing such Capital Appreciation Bond or in the Applicable Bond Series Certificate relating to such Bond on which a specific Accreted Value is assigned to such Capital Appreciation Bond, and (ii) with respect to any Deferred Income Bond, the date or dates prior to the Interest Commencement Date and the Interest Commencement Date set forth in the Applicable Series Resolution authorizing such Bond or in the Applicable Bond Series Certificate relating to such Bond on which specific Appreciated Values are assigned to such Deferred Income Bond.

**Variable Interest Rate** means the rate or rates of interest to be borne by a Series of Bonds or any one or more maturities within a Series of Bonds which is or may be varied from time to time in accordance with the method of computing or determining such interest rate or rates specified in the Applicable Series Resolution authorizing such Bonds or the Applicable Bond Series Certificate relating to such Bonds and which shall be based on:

(i) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) which may be in effect from time to time or at a particular time or times; or

(ii) a determination of the lowest interest rate as would enable the Remarketing Agent, under prevailing financial market conditions for obligations of the same general nature of the Bonds in question and that are comparable to the Bonds in question in terms of credit and maturity or tender dates, to remarket such Bonds at a price of par, plus accrued interest, if any; or

(iii) a stated interest rate that may be changed from time to time as provided in such Series Resolution or Bond Series Certificate;

**provided, however**, that in each case such variable interest rate may be subject to a Maximum Interest Rate and a Minimum Interest Rate as provided in the Applicable Series Resolution authorizing such Bonds or the Applicable Bond Series Certificate relating thereto, and that Series Resolution or Bond Series Certificate shall also specify either (x) the particular period or periods of time or manner of determining such period or periods of time for which each variable interest rate shall remain in effect or (y) the time or times at which any change in such variable interest rate shall become effective or the manner of determining such time or times.

**Variable Interest Rate Bond** means any Bond of a Series which bears a Variable Interest Rate; **provided, however**, that a Bond the interest rate on which shall have been fixed for the remainder of the term thereof shall no longer be a Variable Interest Rate Bond.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms, as used in the Resolution, refer to the Resolution.

**SECTION 1.02 Authority for the Resolution.** The Resolution is adopted pursuant to the provisions of the Act.

**SECTION 1.03 Resolution and Bonds Constitute a Contract.** It is the intent of this Resolution to authorize the issuance by the Authority, from time to time, of its Saint Mary's Hospital for Children Revenue Bonds in one or more Series, each such Series to be authorized by a separate Series Resolution and, inter alia, to be separately secured from each other Series of Bonds; **provided, however** that each Series Bonds may be equally and ratably secured by the Pledged Revenues and/or the Mortgaged Property and or such other collateral securing the funds as provided in the Applicable Series Resolutions. Except as otherwise provided for by Applicable Series

Resolutions, each Series of Bonds shall be separate and apart from any other Series of Bonds authorized by a different Series Resolution and the Holders of Bonds of any Series shall not be entitled to the rights and benefits conferred upon the Holders of Bonds of any other Series of Bonds by the Series Resolution authorizing such other Series of Bonds. With respect to each Series of Bonds, in consideration of the purchase and acceptance of any and all of the Bonds of such Series authorized to be issued hereunder and under a Series Resolution by those who shall hold or own the same from time to time, this Resolution and such Series Resolution shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Holders from time to time of the Bonds of such Series, and the pledge and assignment made herein and the covenants and agreements set forth to be performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Holders of any and all of the Bonds of such Series, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any Bonds of such Series over any other Bonds of such Series except as expressly provided herein or permitted hereby or by a Series Resolution.

**SECTION 1.04 Option of the Authority to Assign Certain Rights and Remedies.** With respect to each Series of Bonds, as security and collateral for (x) the payment of the principal, Sinking Fund Installments, if any, purchase price, and Redemption Price of, and interest on, the Outstanding Bonds of such Series and for the performance of each other obligation of the Authority hereunder and under a Applicable Series Resolution, and (y) if applicable, the payment of all amounts owed to a Facility Provider and for the performance of any other obligations of the Institution thereunder, the Authority may assign all of the Authority's estate, right, title, interest and claim in, to and under the Applicable Loan Agreement, Security Agreement, Mortgage and Guaranty, if any, subject only to the terms of the Applicable Assignment Agreement or the Applicable Intercreditor Agreement, if any, together with all rights, powers, security interests, privileges, options and other benefits of the Authority thereunder, including, without limitation, the immediate and continuing right to receive, enforce and collect (and to apply the same in accordance herewith) all Revenues, insurance proceeds, sale proceeds and other payments and other security now or hereafter payable to or receivable by the Authority under the Applicable Mortgage, Loan Agreement or Guaranty, and to perform all other necessary and appropriate acts under the Applicable Loan Agreement, Security Agreement, Mortgage, and Guaranty, subject to the following conditions: (a) that the Holders of the Bonds shall not be responsible or liable in any manner or to any extent for the performance of any of the covenants or provisions thereof to be performed by the Authority. Until such election is made, the Authority shall remain liable to observe and perform all the conditions and covenants in the Applicable Loan Agreement and Applicable Mortgage provided to be observed and performed by it. Upon any such grant, pledge or assignment contemplated hereby, the Authority may retain the right to (i) the payment of any fees, costs and expenses of the Authority payable pursuant to the Applicable Loan Agreement, (ii) the indemnities provided thereby and payments made pursuant to such indemnities and (iii) the exercise of any right or remedy available under the Applicable Loan Agreement or any Applicable Mortgage for the enforcement of the obligations of the Institution to which the Authority has retained such right and (b) that the Applicable Mortgage, Guaranty, and the security interest in Pledged Revenues granted to the Authority pursuant to the Applicable Loan Agreement may not be assigned by any party thereto without the written consent of the other parties thereto except to the Trustee and the Bondholders as permitted hereby and except as may be provided in any Intercreditor Agreement; provided, however, that any grant, pledge and assignment of moneys, revenues, accounts, rights or other property of the Institution or guarantor made with respect to the Applicable Mortgage, Guaranty and Loan Agreement and shall otherwise be subject to the terms and conditions provided in any Applicable Assignment Agreement. In addition, to the extent necessary to reflect the issuance of a Credit Facility with respect to the



Applicable Series of Bonds, an Authorized Officer of the Trustee shall, upon request of an Authorized Officer of the Authority, execute and deliver such amendments to or supplements of such assignment as shall be necessary to add the Facility Provider of such Credit Facility as beneficiary of such agreement or to accept a re-assignment from such Provider pursuant to the terms of the Applicable Intercreditor Agreement.

Any grant, pledge or assignment made pursuant to this Section shall be made by instruments in form and substance reasonably satisfactory to the Trustee executed and delivered by the Authority within thirty (30) days after written notice of the Authority's election to make such grant, pledge or assignment.

If an Event of Default hereunder has been cured and is no longer continuing, the Trustee, as soon as practicable after the written request of the Authority, shall re-grant and re-assign to the Authority, and release from any pledge made by the Authority pursuant to this Section, all of the Authority's estate, right, title, interest and claim in, to and under the Applicable Loan Agreement(s) and the Applicable Mortgage(s), together with all rights, powers, security interests, privileges, options and other benefits of the Authority thereunder, theretofore granted, pledged or assigned to the Trustee pursuant to this Section. The Trustee shall execute such instruments as the Authority may reasonably require to effect or evidence such re-grant, re-assignment or release.

If applicable, at or prior to the initial issuance and delivery of a Series of Bonds to be issued hereunder, upon delivery to the Trustee of evidence in writing from Authorized Officers of the Authority and the Applicable Facility Provider, if any, with respect to such Series of Bonds to the effect that any Intercreditor Agreement or Assignment Agreement among the Authority, such Facility Provider, if any, and the Trustee is in form and substance satisfactory to them (which may be evidenced by the execution thereof by the Authority and such Facility Provider), an Authorized Officer of the Trustee shall, upon determination by the Trustee that any such Intercreditor Agreement or Assignment Agreement is in form and substance satisfactory to it (which determination by the Trustee shall not be unreasonably withheld or delayed) execute and deliver to the Authority and such Facility Provider such Intercreditor Agreement or Assignment Agreement. In addition, an Authorized Officer of the Trustee shall execute and deliver to the Authority and such Facility Provider such amendments to or supplements of such Intercreditor Agreement or Assignment Agreement, if any, as may be requested by an Authorized Officer of the Authority.

## **ARTICLE II.**

### **AUTHORIZATION AND ISSUANCE OF BONDS**

**SECTION 2.01 Authorization of Bonds.** There are hereby authorized Series of Bonds of the Authority to be issued as hereinafter provided. The Bonds of each Series shall be special obligations of the Authority payable solely from the Revenues pledged for the payment thereof and all funds and accounts (excluding the Arbitrage Rebate Fund and any fund or account established solely for purposes of making payments to reimburse a Facility Provider) authorized by the Resolution and established by the Applicable Series Resolution or a Bond Series Certificate and pledged for the payment thereof, all in the manner more particularly provided herein. The aggregate principal amount of Bonds of a Series which may be executed, authenticated and delivered is not

limited except as provided hereby and by a Series Resolution.

The Bonds of each Series shall not be a debt of the State, nor shall the State be liable thereon, nor shall such Bonds be payable out of any funds other than those of the Authority hereby pledged to the payment of the principal, Sinking Fund Installments, if any, and Redemption Price of and interest thereon.

The Bonds may, if and when authorized by the Authority pursuant hereto and to one or more Series Resolutions, be issued and such Bonds of each Series shall contain an appropriate Series designation.

Nothing contained herein shall be deemed to preclude or restrict the consolidation pursuant to a Series Resolution of any Bonds of any two or more separate Series authorized pursuant hereto and to any such Series Resolution to be issued pursuant to any of the provisions of Sections 2.03 and 2.04 hereof into a single Series of Bonds for purposes of sale and issuance; **provided, however,** that each of the tests, conditions and other requirements contained in Sections 2.02, 2.03 and 2.04 hereof as applicable to each such separate Series shall be met and complied with. Except as otherwise provided in this Section or in such Series Resolution, such a consolidated Series shall be treated as a single Series of Bonds for all purposes hereof.

**SECTION 2.02 Provisions for Issuance of a Series of Bonds.** The issuance of Bonds of a Series shall be authorized by a Series Resolution or Series Resolutions adopted at the time of or subsequent to the adoption hereof. The Bonds of a Series authorized to be issued shall be executed by the Authority and delivered to the Trustee. Such Bonds of a Series shall from time to time and in such amounts as directed by the Authority be authenticated by the Trustee and delivered to or upon the order of the Authority upon receipt of the consideration therefor and upon delivery to the Trustee of:

- (a) A copy of the Resolution and the Series Resolution authorizing such Series of Bonds, certified by an Authorized Officer of the Authority;
- (b) A copy of the Applicable Loan Agreement, certified by an Authorized Officer of the Authority;
- (c) A copy of the Applicable Bond Series Certificate executed in connection with such Series of Bonds
- (d) A written order as to the delivery of such Series of Bonds, signed by an Authorized Officer of the Authority, describing such Bonds to be delivered, designating the purchaser or purchasers to whom such Bonds are to be delivered and stating the consideration for such Bonds;
- (e) Except in the case of Refunding Bonds, a certificate of an Authorized Officer of the Institution stating that the Institution is not, and, as a result of the issuance of Bonds of a Series, shall not be, in default in the performance of any covenants, conditions, agreements or provisions contained in the Applicable Loan Agreement;
- (f) If Bonds of such Series are Book Entry Bonds, a copy of the agreement between the Authority and the Depository for such Bonds (unless the Trustee is a party to such agreement);

(g) If a Credit Facility, Liquidity Facility or Reserve Fund Facility is to be provided in connection with such Bonds, such Credit Facility, Liquidity Facility or Reserve Fund Facility;

(h) If a Debt Service Reserve Fund is required in connection with the issuance of the Bonds of such Series, a certificate of an Authorized Officer of the Authority stating the Applicable Debt Service Reserve Fund Requirement (which may be zero) for the such Series of Bonds, and that after deposit in the Applicable Debt Service Reserve Fund of the amount, if any, to be deposited therein in connection with the issuance of such Series of Bonds, the amount on deposit in such fund will not be less than the amount then required to be therein;

(i) An opinion of Bond Counsel stating, in the opinion of Bond Counsel, that the Resolution and the Applicable Series Resolution authorizing such Series of Bonds have been duly and lawfully adopted by the Authority; that the Resolution and such Series Resolution are in full force and effect and are valid and binding upon the Authority and enforceable in accordance with their terms; that the Resolution creates the valid pledge and the valid lien for the benefit of the Bondholders upon the Revenues which it purports to create, subject only to the provisions of the Resolution permitting the withdrawal, payment, setting apart or appropriation thereof for the purposes and on the terms and conditions set forth in the Resolution and such Series Resolution; and that the Authority is duly authorized and entitled to issue such Series of Bonds and, upon the execution and delivery thereof and upon authentication by the Trustee, such Series of Bonds will be duly and validly issued and will constitute valid and binding special obligations of the Authority entitled to the benefits of the Resolution and such Series Resolution; **provided, however**, that such opinion may be qualified to the extent that enforceability of rights and remedies may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

**SECTION 2.03 Series Resolutions.** Each Series Resolution authorizing the issuance of a Series of Bonds shall specify, or delegate to an Authorized Officer of the Authority the power to determine and carry out, the following:

(a) The sale of the Bonds of such Series at public or private sale (including pursuant to a private placement of the Bonds of such Series); the approval of the terms of and publication of an official statement or other offering document, if any, describing the Bonds of such Series and, if such Bonds are to be sold at public sale, publication of a notice of sale; and the execution of a contract or contracts of purchase at public or private sale on behalf of the Authority;

(b) The authorized principal amount of such Series of Bonds;

(c) The purpose or purposes for which such Series of Bonds is being issued, which shall be limited to (i) payment of the Costs of one or more Projects, (ii) payment of the Costs of Issuance of such Series of Bonds, (iii) funding any Debt Service Reserve Fund, if any, (iv) funding or refunding of notes or bonds of the Authority or other evidence of indebtedness of the Institution, which may include interest thereon, all or a portion of the proceeds of which were applied to making a loan to the Institution, and (v) exchanging Bonds of such Series for bonds, notes or other evidence of indebtedness of the Institution;

(d) The Project or Projects in connection with which the Bonds of such Series are

being issued;

(e) The date or dates, the maturity date or dates and principal amounts of each maturity of the Bonds of such Series, the amount and date of each Sinking Fund Installment, if any, and which Bonds of such Series are Serial Bonds or Term Bonds, if any, and the Record Date or Record Dates of the Bonds of such Series for which the Record Date or Record Dates is other than the fifteenth (15th) day of the calendar month next preceding an interest payment date for such Bonds;

(f) Except in the case of Capital Appreciation Bonds and Deferred Income Bonds prior to the Interest Commencement Date, the interest rate or rates, if any, of the Bonds of such Series or the manner of determining such rate or rates, the date from which interest on the Bonds of such Series shall accrue, the first date on which interest on the Bonds of such Series shall be payable and the date or dates on which the rate at which Variable Interest Rate Bonds of such Series bear interest shall be adjusted and the date or dates on which interest on such Variable Interest Rate Bonds shall be paid or the manner of determining the same and the manner in which interest is to be paid on such Variable Interest Rate Bonds;

(g) If Bonds of such Series are Capital Appreciation Bonds, the Valuation Dates for such Bonds and the Accreted Value on each such Valuation Date;

(h) If Bonds of such Series are Deferred Income Bonds, the Interest Commencement Date for such Bonds, the Valuation Date or Dates prior to the Interest Commencement Date for such Bonds and the Appreciated Value on each such Valuation Date;

(i) The Maximum Interest Rate, if any, and Minimum Interest Rate, if any, in connection with any Variable Interest Rate Bonds or Option Bonds of such Series;

(j) If Bonds of such Series are Option Bonds or Variable Interest Rate Bonds, provisions regarding tender for purchase or redemption thereof, payment of the purchase or Redemption Price thereof and the appointment of a Remarketing Agent with respect thereto;

(k) The denomination or denominations of and the manner of numbering and lettering the Bonds of such Series;

(l) The Paying Agent or Paying Agents for such Bonds and, subject to the provisions of Section 3.01 hereof, the place or places of payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on the Bonds of such Series; **provided, however,** that such Paying Agent or Paying Agents may be appointed by resolution adopted prior to authentication and delivery of such Series of Bonds in accordance with the provisions of Section 8.02 hereof;

(m) The Redemption Price purchase in lieu of redemption price or Redemption Prices, or purchase in lieu of redemption prices, if any, and subject to Article IV hereof, the redemption or purchase in lieu of redemption terms, if any, for the Bonds of such Series;

(n) Provisions for the sale or exchange of the Bonds of such Series and for the delivery thereof;

(o) The form of the Bonds of such Series and the form of the Trustee's certificate of authentication thereon, and whether any Bonds of such Series are to be issued as Book Entry Bonds and the Depository therefor;

(p) If Bonds of such Series are to be exchanged for bonds, notes or other evidence of indebtedness of the Institution or the Authority, the provisions regarding such exchange;

(q) Whether a Debt Service Reserve Fund is established securing such Series of Bonds, and if so, the Debt Service Reserve Fund Requirement (which may be zero) and the terms and conditions upon which a Reserve Fund Facility may be used to fund all or a portion of the Debt Service Reserve Fund Requirement;

(r) Directions for the application of the proceeds of the Bonds of such Series;

(s) The Trustee, if any, and any Facility Providers for such Series of Bonds;

(t) The type of Credit Facility, if any, and the terms of such Credit Facility;

(u) If the Bonds of such Series are to be subject to purchase by at the direction of the Institution, provisions for the purchase of such Bonds, including, subject to Section 4.07 hereof, the purchase price to be paid therefore and the timeliness and content of any notice purchase that will be required to be given; and

(v) Whether a Mortgage or a lien on the Institution's Pledged Revenues or other form of security is to be granted to secure the Institution's obligations under the Applicable Loan Agreement and whether Parity Indebtedness is to be permitted, and whether an Intercreditor Agreement or an amendment to or modification of an existing Intercreditor Agreement, shall be executed in connection with issuance of such Series of Bonds;

(w) If any additional rights shall be granted to purchaser of the Bonds in a private placement and the nature and scope of such additional rights; and

(x) Any other provisions deemed advisable by an Authorized Officer of the Authority, not in conflict with the provisions hereof or of a Series Resolution.

An Authorized Officer to whom a Series Resolution has delegated the power to determine any of the foregoing shall execute a Bond Series Certificate evidencing such determinations or other actions taken pursuant to such delegation, and such Bond Series Certificate shall be conclusive evidence of the determinations or actions of such Authorized Officer as to the matters stated therein.

**SECTION 2.04 Refunding Bonds.** All or any portion of one or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all Outstanding Bonds, one or more Series of Outstanding Bonds, a portion of a Series of Outstanding Bonds or a portion of a maturity of a Series of Outstanding Bonds. The Authority may issue Refunding Bonds of a Series in an aggregate principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of this Section and of the Series Resolution authorizing such Series of Refunding Bonds.

The Refunding Bonds of such Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02 hereof) of:

(a) If the Bonds to be refunded are to be redeemed, irrevocable instructions to the

Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a redemption date specified in such instructions;

(b) Irrevocable instructions to the Trustee, satisfactory to it, to duly give the notice provided for in Section 12.01 hereof to the Holders of the Bonds being refunded;

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

(d) A certificate of an Authorized Officer of the Authority containing such additional statements as may be reasonably necessary to show compliance with the requirements of this Section.

The proceeds, including accrued interest, of Refunding Bonds shall be applied simultaneously with the delivery of such Refunding Bonds in the manner provided in or as determined in accordance with the Series Resolution authorizing such Refunding Bonds or the Bond Series Certificate relating to such Series of Refunding Bonds.

#### **SECTION 2.05 Additional Obligations; Incurrence of Parity Indebtedness.**

The Authority reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, except as provided herein, entitled to a charge, lien or right prior or equal to the charge or lien created hereby or prior or equal to the charge or lien created hereby and pursuant to a Series Resolution, or prior or equal to the rights of the Authority and Holders of Bonds of a Series as provided hereby or with respect to the moneys pledged hereunder.

### **ARTICLE III.**

#### **GENERAL TERMS AND PROVISIONS OF BONDS**

**SECTION 3.01 Place and Medium of Payment.** The Bonds of a Series shall be payable, with respect to interest, principal and Redemption Price, 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 as otherwise provided in Sections 3.10 and 4.06 hereof, upon presentation and surrender of Bonds on their maturity or earlier redemption dates, the principal or Redemption Price of such Bonds shall be payable at the principal corporate trust office of the Trustee. Except as otherwise provided in the Series Resolution authorizing the issuance of Variable Interest Rate Bonds or Option Bonds or the Bond Series Certificate relating to such Bonds, interest on a Series of Bonds shall be paid by check or draft mailed to the registered owner thereof at the address thereof as it appears on the registry books of the Authority or, for so long as the option of the registered owner of at least one million dollars (\$1,000,000) in principal amount of Bonds of such Series, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such

registered owner has, not less than five (5) Business Days prior to the Record Date for such Bonds immediately preceding such interest payment date, directed the Trustee to wire such interest payment. For purposes of this Section, interest is payable to the Bondholder at the close of business on the Record Date for such Bond. All payments of principal or Redemption Price of or interest on Bonds shall specify the CUSIP number or numbers of the Bonds in connection with which such payment is made.

The Bonds of each Series shall be issued in the form of fully registered Bonds without coupons. Any Series Resolution or Bond Series Certificate may contain such additional provisions regarding the registration, transfer and exchange of Bonds of such Series as are not inconsistent herewith.

Bonds of each Series issued prior to the first interest payment date thereof shall be dated as of the date specified in the Series Resolution authorizing the issuance thereof or the Bond Series Certificate applicable thereto. Bonds of a Series issued on or subsequent to the first interest payment date thereof shall be dated as of the interest payment date immediately preceding the date of authentication thereof by the Trustee, unless such date of authentication shall be an interest payment date, in which case they shall be dated as of such date of authentication; **provided, however**, that if, as shown by the records of the Trustee, interest on the Bonds of any Series shall be in default, the Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered. Bonds of each Series shall bear interest from their date.

For all purposes of the Act relating to or dealing with the date of the Bonds of a Series, such Bonds of any Series shall be deemed to be dated as of the date provided for the Bonds of such Series in the manner provided in the Series Resolution authorizing the issuance thereof or in the Bond Series Certificate applicable thereto.

All Bonds of a Series shall mature on the month and day established in the Applicable Series Resolution or Applicable Bond Series Certificate for which principal is to become due. Interest on all Bonds of a Series shall be payable on such months and days provided in the Applicable Series Resolution or Applicable Bond Series Certificate for which an installment of interest is to become due. The first installment of interest due on the Bonds of a Series may be for such period as the Authority shall fix in the Series Resolution authorizing the issuance thereof or the Bond Series Certificate applicable thereto.

**SECTION 3.02 Legends.** The Bonds of a Series may contain, or have endorsed thereon, such provisions, specifications and descriptive words not inconsistent herewith or with any Series Resolution authorizing the same, as may be necessary or desirable and as may be determined by the Authority prior to their delivery.

**SECTION 3.03 CUSIP Numbers.** Unless otherwise specified in a Series Resolution or a Bond Series Certificate, the Authority, shall provide for the assignment of CUSIP numbers for Bonds and cause such CUSIP numbers to be printed thereon, and the Trustee shall use such CUSIP numbers in notices of redemption and of the tender of Option Bonds and on all checks payable to the Bondholders of such Series as a convenience to such Bondholders; **provided, however**, that any such notice shall state that no representation is made as to the correctness of such number either as printed on such Bonds or as contained in any notice of redemption or tender, and

that an error in a CUSIP number as printed on such Bond or as contained in any notice of redemption or tender shall not affect the validity of the proceedings for redemption or tender.

**SECTION 3.04 Execution and Authentication.** The Bonds of a Series shall be executed in the name of the Authority by the manual or facsimile signature of its Chair, Vice-Chair or other Authorized Officer and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced, and attested by the manual or facsimile signature of the Secretary, an Assistant Secretary or other Authorized Officer of the Authority, or in such other manner as may be permitted by law. In case any one or more of the officers or employees who shall have signed or sealed any of such Bonds shall cease to be such officer or employee before such Bonds so signed and sealed shall have been actually authenticated and delivered by the Trustee, such Bonds may, nevertheless, be delivered as provided herein, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices or be so employed. Any Bond may be signed and sealed on behalf of the Authority by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office in or be employed by, the Authority, although at the date of the Bonds such persons may not have been so authorized or have held such office or employment.

The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the Applicable Series Resolution or Bond Series Certificate, executed manually by the Trustee unless the Series Resolution or a Bond Series Certificate shall authorize execution by the Trustee by facsimile signature. Only such Bonds of a Series as shall bear thereon such certificate of authentication shall be entitled to any right or benefit hereunder and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond of a Series executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered hereunder and that the Holder thereof is entitled to the benefits hereof.

**SECTION 3.05 Interchangeability of Bonds.** Bonds, upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his attorney duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and tenor of any other authorized denominations.

**SECTION 3.06 Negotiability, Transfer and Registry.** All Bonds issued hereunder shall be negotiable as provided in the Act, subject to the provisions for registration and transfer contained herein and in such Bonds. So long as any of such Bonds shall not have matured or been called for redemption, the Authority shall maintain and keep, or cause to be maintained and kept, at the principal corporate trust office of the Trustee, books for the registration and transfer of such Bonds; and, upon presentation thereof for such purpose at said office, the Authority shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Trustee may prescribe, any such Bond entitled to registration or transfer. So long as any of such Bonds have not matured or been called for redemption, the Authority shall make all necessary provisions to permit the exchange of such Bonds at the principal corporate trust office of the Trustee.

**SECTION 3.07 Transfer of Bonds.** Each Bond shall be transferable only upon the books of the Authority, which shall be kept for that purpose at the principal corporate trust office of the Trustee, by the registered owner thereof in person or by his attorney duly authorized in writing,



upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney and the payment of a charge sufficient to reimburse the Authority or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such transfer. Upon the transfer of any such Bond, the Authority shall cause to be issued in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, Series, maturity and tenor as the surrendered Bond.

The Authority and the Trustee may deem and treat the person in whose name any Outstanding Bond shall be registered upon the books of the Authority as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal, or Redemption Price of and, subject to the provisions of Section 3.01 hereof with respect to Record Dates, interest on such Bond and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid, and neither the Authority nor the Trustee shall be affected by any notice to the contrary. The Authority agrees to indemnify and save the Trustee harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

**SECTION 3.08 Regulations with Respect to Exchanges and Transfers.** In all cases in which the privilege of exchanging Bonds or transferring Bonds of a Series is exercised, the Authority shall execute and the Trustee shall authenticate and deliver such Bonds in accordance with the provisions hereof. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Trustee. For every such exchange or transfer of such Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provisions hereof, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Authority or the Trustee incurred in connection therewith, shall be paid by the person requesting such exchange or transfer. The Authority shall not be obliged to make, or cause to be made, any exchange or transfer of Bonds, other than the exchange or transfer of an Option Bond which has been tendered or deemed to have been tendered by the Holder thereof for purchase, during the period beginning on the Record Date for such Bonds next preceding an interest payment date on such Bonds and ending on such interest payment date, or, in the case of any proposed redemption of Bonds of such Series, after the Record Date next preceding the date of the selection of Bonds to be redeemed.

**SECTION 3.09 Bonds Mutilated, Destroyed, Lost or Stolen.** In case any Bond shall become mutilated or be destroyed, lost or stolen, the Authority in its discretion may execute, and upon its request the Trustee shall authenticate and deliver, a new Bond of like Series, maturity, tenor and principal amount as such Bond so mutilated, destroyed, lost or stolen, in exchange and substitution for the mutilated, destroyed, lost or stolen Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for such Bond so destroyed, lost or stolen, upon filing with the Authority evidence satisfactory to the Authority and the Trustee that such Bond has been destroyed, lost or stolen and proof of ownership thereof, and upon furnishing the Authority and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Authority and the Trustee may prescribe and paying such expenses as the Authority and the Trustee may incur in

connection therewith. All Bonds so surrendered to the Trustee shall be canceled by it and evidence of such cancellation shall be given to the Authority. In case any Bond which has matured or is about to mature shall have become mutilated or have been destroyed, lost or stolen, the Authority may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of such mutilated Bond upon the surrender on or after the maturity date thereof, or authorize the payment of such destroyed, lost or stolen Bond, upon the Holder thereof filing evidence satisfactory to the Authority and the Trustee that such Bond has been destroyed, lost or stolen and proof of ownership thereof, and upon furnishing the Authority and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Authority and the Trustee may prescribe and paying such expenses as the Authority and the Trustee may incur in connection therewith.

**SECTION 3.10 Book Entry Bonds.** Anything herein to the contrary notwithstanding, Bonds may be authorized and issued as Book Entry Bonds in accordance with the Series Resolution authorizing such Bonds or the Bond Series Certificate relating to such Bonds.

For all purposes of the Resolution the Holder of a Book Entry Bond shall be the Depository therefor and neither the Authority nor the Trustee shall have responsibility or any obligation to the beneficial owner of such Bond or to any direct or indirect participant in such Depository. Without limiting the generality of the foregoing, neither the Authority nor the Trustee shall have any responsibility or obligation to any such participant or to the beneficial owner of a Book Entry Bond with respect to (i) the accuracy of the records of the Depository or any participant with respect to any beneficial ownership interest in such Bond, (ii) the delivery to any participant of the Depository, the beneficial owner of such Bond or any other person, other than the Depository, of any notice with respect to such Bond, including any notice of the redemption thereof, or (iii) the payment to any participant of the Depository, the beneficial owner of such Bond or any other person, other than the Depository, of any amount with respect to the principal or Redemption Price of or interest on such Bond. The Authority and the Trustee may treat the Depository therefor as the absolute owner of a Book Entry Bond for the purpose of (x) payment of the principal, or Redemption Price of, and interest on such Bond, (y) giving notices of redemption and of other matters with respect to such Bond, (z) registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal, or Redemption Price of, and interest on such Bond only to or upon the order of the Depository, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to such principal, or Redemption Price and interest to the extent of the sum or sums so paid. No person other than the Depository shall receive a Bond or other instrument evidencing the Authority's obligation to make payments of the principal or Redemption Price thereof and interest thereon.

Anything herein to the contrary notwithstanding, payment of the Redemption Price of Book Entry Bonds which are redeemed prior to maturity may be paid to the Depository by wire transfer. Payment of the Redemption Price of Book Entry Bonds of like Series, maturity and tenor which are redeemed in part may be made without surrender of such Bonds to the Trustee; **provided, however,** that the principal of such Bonds at the maturity date thereof or the Redemption Price of Book Entry Bonds of like Series, maturity and tenor which are redeemed in whole shall be paid only upon presentation and surrender of such Bonds to the Trustee.

The Authority, in its sole discretion and without the consent of the Trustee, the beneficial owner of a Book Entry Bond or any other person, may terminate the services of the Depository with respect to such Book Entry Bond if the Authority determines that (i) the Depository is unable to discharge its responsibilities with respect to such Bonds or (ii) a continuation of the

requirement that all of the Outstanding Bonds of like Series issued in book entry form be registered in the registration books of the Authority in the name of the Depository is not in the best interest of the beneficial owners of such Bonds, and the Authority shall terminate the services of the Depository upon receipt by the Authority and the Trustee of written notice from the Depository that it has received written requests that such Depository be removed from its participants having beneficial interest, as shown in the records of the Depository, in an aggregate amount of not less than a majority in principal amount of the then Outstanding Bonds for which the Depository is serving as Depository.

Upon the termination of the services of a Depository with respect to a Book Entry Bond, or upon the resignation of a Depository with respect to a Book Entry Bond, after which no substitute securities depository willing to undertake the functions of such Depository can be found which, in the opinion of the Authority, is able to undertake such functions upon reasonable and customary terms, such Bonds shall no longer be registered in the registration books kept by the Trustee in the name of a Depository, but may be registered in the name or names Bondholders transferring or exchanging such Bonds shall designate, in accordance with the provisions of Article III hereof.

**SECTION 3.11 Preparation of Definitive Bonds; Temporary Bonds.** The definitive Bonds of each Series may be lithographed or printed on steel engraved borders, except that Book Entry Bonds may be typewritten or produced in such manner as the Authority determines. Until the definitive Bonds of any Series are prepared, the Authority may execute, in the same manner as is provided in Section 3.04 hereof, and deliver, in lieu of such definitive Bonds, but subject to the same provisions, limitations and conditions as such definitive Bonds, except as to the denominations thereof and as to exchangeability for registered Bonds, one or more temporary Bonds, substantially of the tenor of such definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in authorized denominations or any whole multiples thereof authorized by the Authority, and with such omissions, insertions and variations as may be appropriate to such temporary Bonds. The Authority at its own expense shall prepare and execute and, upon the surrender at the principal corporate trust office of the Trustee of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, at the principal corporate trust office of the Trustee, definitive Bonds of such Series of the same aggregate principal amount, Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds of a Series shall in all respects be entitled to the same benefits and security as definitive Bonds of such Series issued pursuant hereto.

All temporary Bonds of a Series surrendered in exchange for a definitive Bond or Bonds of such Series shall be forthwith canceled by the Trustee.

**SECTION 3.12 Tender of Option Bonds.** An Option Bond which is required to be delivered for redemption or purchase pursuant to the provisions hereof or of the Series Resolution authorizing such Bonds or of the Bond Series Certificate relating to such Bond shall be deemed surrendered as provided in the Series Resolution authorizing the issuance thereof or the Bond Series Certificate relating thereto even though such Bond has not been actually presented and surrendered by the Holder thereof.

**SECTION 3.13 Cancellation of Bonds.** The Trustee or any Paying Agent shall forthwith cancel all Bonds which have been redeemed or paid by it and shall dispose of them in accordance with its normal procedure and notice thereof shall be given to the Authority if requested by the Authority. No such Bonds shall be deemed Outstanding Bonds hereunder and no Bonds shall

be issued in lieu thereof.

**SECTION 3.14 Restrictions on the Transfer of Bonds.** Each Person who is or who becomes a Beneficial Owner of a Bond shall be deemed by the acceptance or acquisition of such beneficial ownership interest to have agreed to be bound by the provisions of the Applicable Series Resolution and Bond Series Certificate in connection with any restrictions on the transfer thereof. No beneficial ownership interest in a Bond may be transferred unless the proposed resale, transfer or other disposition is in a transaction which does not require registration or qualification under the Securities Act of 1933 (the “Securities Act”).

## ARTICLE IV.

### REDEMPTION OF BONDS

**SECTION 4.01 Authorization of Redemption.** Bonds of a Series subject to redemption prior to maturity pursuant hereto or to a Series Resolution or a Bond Series Certificate shall be redeemable, in accordance with this Article IV, at such times, at such Redemption Prices and upon such terms as may otherwise be specified herein or in the Series Resolution authorizing such Series or the Applicable Bond Series Certificate.

**SECTION 4.02 Redemption at the Election or Direction of the Authority.** In the case of any redemption of Bonds of a Series other than as provided in Section 4.03 hereof, the Authority shall give to the Trustee and each Applicable Facility Provider, if any, written notice of its election or direction to redeem, of the Series and of the principal amounts of the Bonds of each maturity of such Series and Sub-Series to be redeemed. The Series, maturities and principal amounts thereof to be redeemed at the election or direction of the Authority shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained herein or in the Applicable Series Resolution or the Applicable Bond Series Certificate. Such notice shall be given to the Trustee and each Applicable Facility Provider at least forty-five (45) days prior to the date on which such Bonds are to be redeemed, or such lesser number of days as shall be acceptable to the Trustee. Unless the notice of redemption required by Section 4.05 hereof provides that the redemption is subject to the condition that moneys for payment of the Redemption Price is available on the redemption date, such notice shall not be given with respect to Bonds to be redeemed pursuant to this Section unless prior to the date such notice is to be given the Authority shall have paid or caused to be paid to the Trustee an amount which, in addition to other amounts available therefor held by the Trustee, is sufficient to redeem, on the redemption dates at the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, all of the Bonds of such Series to be so redeemed. For purposes of determining the amount required to be paid pursuant to the preceding sentence when Variable Interest Rate Bonds are to be redeemed, it shall be assumed that for any period for which the rate at which such Bonds will bear interest is unknown such Bonds bear interest at the Maximum Rate established therefore by the Applicable Series Resolution or the Applicable Bond Series Certificate.

**SECTION 4.03 Redemption Other Than at Authority’s Election or Direction.** Whenever by the terms hereof or pursuant to an Applicable Series Resolution, the Trustee is required to redeem Bonds of a Series through the application of mandatory Sinking Fund Installments, the Trustee shall select the Bonds of such Series and maturities to be redeemed in the manner provided in Section 4.04 hereof, give the notice of redemption and pay out of moneys available therefor the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article

#### IV.

**SECTION 4.04 Selection of Bonds to Be Redeemed.** Unless otherwise provided in the Series Resolution authorizing the issuance of a Series of Bonds or the Bond Series Certificate relating to such Bonds, in the event of redemption of less than all of the Outstanding Bonds of like Series, Sub-Series, maturity and tenor, the Trustee shall assign to each Outstanding Bond of the Series, Sub-Series, maturity and tenor to be redeemed a distinctive number for each unit of the principal amount of such Bond equal to the lowest denomination in which the Bonds of such Series are authorized to be issued and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to such Bonds as many numbers as, at such unit amount equal to the lowest denomination in which the Bonds of such Series are authorized to be issued for each number, shall equal the principal amount of such Bonds to be redeemed. In making such selections the Trustee may draw such Bonds by lot (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawing to be by serial numbers (or, in the case of Bonds of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued, by the numbers assigned thereto as in this Section 4.04 provided) which end in the same digit or in the same two digits. If in such a case, upon any drawing by groups, the total principal amount of Bonds drawn shall exceed the amount to be redeemed, the excess may be deducted from any group or groups so drawn in such manner as the Trustee may determine. The Trustee may in its discretion assign numbers to aliquot portions of Bonds and select part of any Bond for redemption. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; **provided, however,** that only so much of the principal amount of each such Bond of a denomination of more than the lowest denomination in which the Bonds of such Series are authorized to be issued shall be redeemed as shall equal the lowest denomination in which the Bonds of such Series are authorized to be issued for each number assigned to it and so selected.

For purposes of this Section 4.04, the lowest denomination in which a Capital Appreciation Bond is authorized to be issued shall be the lowest Accreted Value authorized to be due at maturity on such Bonds and the lowest denomination in which a Deferred Income Bond is authorized to be issued shall be the lowest Appreciated Value on the Interest Commencement Date authorized for such Bonds.

**SECTION 4.05 Notice of Redemption.** Whenever Bonds of a Series are to be redeemed, the Trustee shall give notice of the redemption of such Bonds in the name of the Authority which notice shall specify: (i) the Bonds to be redeemed which shall be identified by the designation of the Bonds given in accordance with Section 2.01 hereof, the maturity dates and interest rates of the Bonds to be redeemed and the date such Bonds were issued; (ii) the numbers and other distinguishing marks of the Bonds to be redeemed, including CUSIP numbers; (iii) the redemption date; (iv) the Redemption Price; (v) the principal amount of each bond to be redeemed; (vi) the date of publication, if any, of the notice of redemption; (vii) that, except in the case of Book-Entry Bonds, such Bonds will be redeemed at the principal corporate trust office of the Trustee giving the address thereof and the name and telephone number of a representative of the Trustee to whom inquiries may be directed; (viii) that no representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained in such notice and that an error in a CUSIP number as printed on such Bond or as contained in such notice shall not affect the validity of the proceedings for redemption and (ix) if the Authority's obligation to redeem the Bonds is subject to one or more conditions, a statement to that effect that describes the conditions to such redemption. Any notice of redemption, other than a notice for special or extraordinary redemption provided for in a Series Resolution or Bond Series Certificate, may state that the redemption is conditioned upon receipt by

the Trustee, on or prior to the redemption date, of moneys sufficient to pay the Redemption Price of the Bonds to be redeemed, and that if such moneys are not received such notice shall be of no force or effect and such Bonds shall not be required to be redeemed.

Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued and unpaid thereon to the redemption date, and that, from and after such date, payment having been made or provided for, interest thereon shall cease to accrue. Such notice shall be given by mailing a copy of such notice not less than thirty (30) days nor more than forty-five (45) days prior to the redemption date or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Series Resolution authorizing such Bonds or the Bond Series Certificate relating thereto, but in no event less than fifteen (15) days prior to the redemption date. Such notice shall be sent by first class mail, postage prepaid, to the registered owners of the Bonds which are to be redeemed, at their last known addresses, if any, appearing on the registration books not more than ten (10) Business Days prior to the date such notice is given. Upon giving such notice the Trustee shall promptly certify to the Authority that it has mailed or caused to be mailed such notice to the Holders of the Bonds to be redeemed in the manner provided herein. Such certificate shall be conclusive evidence that such notice was given in the manner required hereby. The failure of any Holder of a Bond of a Series to be redeemed to receive such notice shall not affect the validity of the proceedings for the redemption of such Bonds. If directed in writing by an Authorized Officer of the Authority, the Trustee shall also give such notice by publication thereof once in an Authorized Newspaper, such publication to be not less than thirty (30) days nor more than forty-five (45) days prior to the redemption date or, in the case of Variable Interest Rate Bonds or Option Bonds, such shorter period as shall be established by the Series Resolution authorizing such Bonds or the Bond Series Certificate relating thereto, but in no event less than fifteen (15) days prior to the redemption date; **provided, however,** that such publication shall not be a condition precedent to such redemption, and failure to so publish any such notice or a defect in such notice or in the publication thereof shall not affect the validity of the proceedings for the redemption of the Bonds.

**SECTION 4.06 Payment of Redeemed Bonds.** Notice having been given by mail in the manner provided in Section 4.05 hereof, the Bonds of a Series or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender of such Bonds, other than Book Entry Bonds of like Series, Sub Series, maturity and tenor to be redeemed in part, at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. For so long as the Bonds shall not be issued in book-entry only form, payment of the Redemption Price shall be made, upon the request of the registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds to be redeemed, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has, at the time such Bond is surrendered to the Trustee, directed in writing the Trustee to wire such Redemption Price. If there shall be called for redemption less than all of the principal amount of a registered Bond of a Series, the Authority shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of such registered Bond so surrendered, Bonds of like Series, Sub-Series, maturity and tenor in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all Bonds of a Series or

portions thereof of any like Series, Sub-Series, maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date, shall be held by the Trustee and Paying Agents so as to be available therefor on such date and if notice of redemption shall have been mailed as aforesaid, then, from and after the redemption date, interest on such Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds shall no longer be considered to be Outstanding hereunder. If such moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

**SECTION 4.07 Purchase of Purchased Bonds.** Whenever Bonds are to be purchased at the election of the Institution, written notice thereof and of the Bonds of the Series and maturity to be so purchased having been given by the Institution to the Authority, the Trustee, and each Applicable Facility Provider, the Trustee shall select the particular Bonds of such Series and maturity to be so purchased in the same manner as provided in Section 4.04 hereof for the selection of Bonds to be redeemed in part. Promptly thereafter the Trustee shall give notice of the purchase of the Bonds at the times and in the manner provided in the Series Resolution authorizing such Bonds or the Bond Series Certificate related thereto. The Trustee shall not give such notice unless prior to the date such notice is given, the Institution has caused to be delivered to the Trustee the written consent to such purchase of the Authority and each Applicable Facility Provider. All such purchases may be subject to conditions of the Authority, the Trustee and any Facility Provider to the Institution's obligation to purchase such Bonds and shall be subject to the condition that money for the payment of the purchase price therefor is available on the date set for such purchase. Notice of purchase having been given in the manner required by the Series Resolution authorizing the Bonds to be so purchased or the Bond Series Certificate relating thereto, then, if sufficient money to pay the purchase price of such Bonds is held by the Trustee, the purchase price of the Bonds or portions thereof so called for purchase shall become due and payable on the date set for purchase, upon presentation and surrender of such Bonds (other than Book Entry Bonds) to be purchased at the office or offices specified in such notice, and, in the case of Bonds presented by other than the registered owner, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney. Payment of the purchase price of other than Book Entry Bonds shall be made, upon the request of the registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds to be so purchased, by wire transfer to such registered owner at the wire transfer address in the continental United States to which such registered owner has prior to the purchase date directed in writing the Trustee to wire such purchase price. Bonds so purchased shall be considered to be Outstanding and each such Bond so purchased that is not a Book Entry Bond shall be registered in the name or at the direction of the Institution.

## **ARTICLE V.**

### **PLEDGE OF REVENUES; FUNDS AND ACCOUNTS; REVENUES AND APPLICATION THEREOF**

**SECTION 5.01 Pledge of Revenues.** The proceeds from the sale of a Series of Bonds, the Applicable Revenues, the Authority's security interest in the applicable Pledged Revenues, if any, and, except as otherwise provided in Section 5.02 hereof, the Applicable Series Resolution or the Applicable Bond Series Certificate, all funds and accounts established hereby, other than the Arbitrage Rebate Fund, and any fund or account establishes solely for the purposes of making payments to reimburse a Facility Provider, if any are hereby, subject to the adoption of a Series Resolution pledged and assigned to the Trustee and Applicable Facility Provider as security

for the payment of the principal and Redemption Price of and interest on such Series of Bonds, all in accordance with the provisions hereof and thereof. The pledge made hereby shall relate only to the Bonds of a Series authorized by such Series Resolution and no other Series of Bonds and such pledge shall not secure any such other Series of Bonds. The pledge made hereby is valid, binding and perfected from the time when the pledge attaches and the proceeds from the sale of a Series of Bonds, the Applicable Revenues, the Authority's security interest in the applicable Pledged Revenues, if any, and all funds and accounts established hereby and by a Series Resolution which are pledged hereby shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid, binding and perfected 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. No instrument by which such pledge is created nor any financing statement need be recorded or filed. The Bonds of each Series shall be special obligations of the Authority payable solely from and secured by a pledge of the proceeds from the sale of such Series of Bonds, the Applicable Revenues, the Authority's security interest in the applicable Pledged Revenues, if any, and the funds and accounts established hereby and pursuant to a Series Resolution and which are pledged hereby as provided herein, which pledge shall constitute a first lien thereon, subject to any Prior Pledges and permitted Parity Indebtedness.

**SECTION 5.02 Establishment of Funds and Accounts.** In addition to such funds as may be provided by a Series Resolution, the following funds are authorized to be established and shall be held and maintained for each Series of Bonds by the Trustee separate and apart from any other funds established and maintained pursuant to this Resolution, any Series Resolution or any Bond Series Certificate;

Construction Fund;  
Debt Service Fund; and  
Arbitrage Rebate Fund

In addition to the accounts or subaccounts, if any, required to be established hereby or by any Series Resolution, or any Bond Series Certificate, the Authority may for purposes of internal accounting establish such other accounts and subaccounts as the Authority or the Trustee deems proper, necessary, or desirable.

All money at any time deposited in any fund, account or subaccount created and pledged hereby or by a Series Resolution or required thereby to be created shall be held in trust for the benefit of the Holders of Bonds of a Series, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided herein, unless otherwise provided in the Applicable Series Resolution or Bond Series Certificate relating to such Bonds; *provided, however*, that (i) the proceeds derived from the remarketing of Option Bonds tendered or deemed to have been tendered for purchase in accordance with the Series Resolution authorizing the issuance of such Bonds or the Bond Series Certificate relating to such Bonds or derived from a Liquidity Facility relating to such Bonds, and any fund or account established by or pursuant to such Series Resolution or Bond Series Certificate for the payment of the purchase price of Option Bonds so tendered or deemed to have been tendered, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds and are pledged hereby for the payment of the purchase price of such Option Bonds and (ii) any fund or account established by or pursuant to such Series Resolution for repayment of advances made under a Liquidity Facility for payment of the purchase price of Option Bonds, shall not be held in trust for the benefit of the Holders of Bonds other than such Option Bonds, and may be pledged to the provider of such Liquidity Facility.



**SECTION 5.03 Application of Bond Proceeds and Allocation Thereof.**

Upon the receipt of proceeds from the sale of a Series of Bonds, the Authority shall apply such proceeds as specified herein and in the Series Resolution authorizing such Series or in the Bond Series Certificate relating to such Series.

Accrued interest, if any, received upon the delivery of a Series of Bonds shall be deposited in the Debt Service Fund unless all or any portion of such amount is to be otherwise applied as specified in the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series.

**SECTION 5.04 Application of Moneys in the Construction Fund.**

(a) As soon as practicable after the delivery of a Series of Bonds, the Trustee shall deposit in the Construction Fund the amount required to be deposited therein pursuant to the Series Resolution authorizing such Series or the Bond Series Certificate relating to such Series. In addition, the Authority shall pay over to the Trustee and the Trustee shall deposit in the Construction Fund any moneys paid to the Authority pursuant to Section 7.08 hereof. The Trustee shall also deposit in the Construction Fund all amounts paid to it by the Institution which by the terms of the Applicable Loan Agreement(s) are required to be deposited therein.

(b) Except as otherwise provided in this Article V and in any Applicable Series Resolution or Bond Series Certificate, moneys deposited in the Construction Fund shall be used only to pay the Costs of Issuance and the Costs of the Project with respect to such Series of Bonds. For purposes of internal accounting, the Construction Fund may contain one or more further subaccounts, as the Authority or the Trustee may deem proper.

(c) Payments for Costs of Issuance shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Authority stating the names of the payees, the purpose of each payment in terms sufficient for identification, and the respective amounts of each such payment. Unless otherwise provided in the Applicable Series Resolution, payments for Costs of each Project shall be made by the Trustee upon receipt of, and in accordance with, a certificate or certificates signed by an Authorized Officer of the Authority, substantiated by a certificate filed with the Authority in accordance with a Loan Agreement naming the Project in connection with which payment is to be made and describing in reasonable detail the purpose for which moneys were used and the amount thereof, and further stating that such purpose constitutes a necessary part of the Costs of such Project, except that payments to pay interest on Bonds of a Series shall be made by the Trustee upon receipt of, and in accordance with, the direction of an Authorized Officer of the Authority directing the Trustee to transfer such amount from the Construction Fund to the Debt Service Fund.

(d) Unless the Mortgage, the Assignment Agreement or an Intercreditor Agreement requires otherwise, any proceeds of insurance, condemnation or eminent domain awards received by the Trustee, the Authority or the Institution with respect to a Project shall be deposited in the Construction Fund and, if necessary, such fund may be re-established for such purpose and, if not used to repair, restore or replace the Project, transferred to the Debt Service Fund for the redemption of Bonds in accordance with the Applicable Series Resolution or Bond Series Certificate.

(e) A Project shall be deemed to be complete upon delivery to the Authority, the

Facility Provider, if any, and the Trustee of a certificate signed by an Authorized Officer of the Institution, which certificate shall be delivered as soon as practicable after the date of completion of such Project, or upon delivery to the Institution, the Facility Provider, if any, and the Trustee of a certificate signed by an Authorized Officer of the Authority which certificate may be delivered at any time after completion of such Project. Each such certificate shall state that the Project has been completed substantially in accordance with the plans and specifications, if any, applicable to such Project and that such Project is ready for occupancy or use, and, in the case of a certificate of an Authorized Officer of the Institution, shall specify the date of completion.

Upon receipt by the Trustee of a certificate relating to the completion of a Project, the moneys, if any, then remaining in the Construction Fund relating to such Project, after making provision in accordance with the direction of an Authorized Officer of the Authority for the payment of any Costs of Issuance and Costs of the Project in connection with such Project which are then unpaid, shall be paid or applied by the Trustee as follows and in the following order of priority:

First: Upon the direction of an Authorized Officer of the Authority, in accordance with the provisions of the Applicable Tax Certificate, to the Arbitrage Rebate Fund, the amount set forth in such direction;

Second: To the Debt Service Reserve Fund, if any, such amount as shall be necessary to make the amount on deposit in such fund equal to the applicable Debt Service Reserve Fund Requirement, if any; and

Third: To the Debt Service Fund, to be applied in accordance with Section 5.06 hereof, any balance remaining.

**SECTION 5.05 Deposit of Revenues and Allocation Thereof.** The Revenues and any other moneys, which, by any of the provisions of a Loan Agreement, are required to be paid to the Trustee, shall upon receipt thereof be deposited or paid by the Trustee in the following order of priority:

First: (A) for a Series of Bonds for which a direct pay Credit Facility shall not be in effect, to the Debt Service Fund in the case of Revenues received during each Bond Year, the amount, if any, necessary to make the amount in the Debt Service Fund equal to (i) the interest on Outstanding Bonds of a Series payable during such Bond Year, (ii) the principal and Sinking Fund Installments of Outstanding Bonds of a Series payable during such Bond Year, and (iii) the purchase price or Redemption Price of Outstanding Bonds of a Series theretofore contracted to be purchased or called for redemption pursuant to Section 5.06 hereof during such Bond Year, plus accrued interest thereon to the date of purchase or redemption; or (B) for a Series of Bonds for which a direct pay Credit Facility shall be in effect, unless otherwise provided in the Applicable Series Resolution or Bond Series Certificate, to the Debt Service Fund to reimburse pro rata, each Facility Provider for Provider Payments which are then unpaid, in proportion to the respective Provider Payments then unpaid to each Facility Provider;

Second: To the Debt Service Reserve Fund, if any, an amount necessary to make the fund on deposit therein equal the Applicable Debt Service Reserve Fund

Requirement; and

Third: Upon the direction of an Authorized Officer of the Authority, in accordance with the provisions of the Applicable Tax Certificate or agreement, to the Arbitrage Rebate Fund the amount set forth in such direction; and

Fourth: To the Authority, unless otherwise paid, such amounts as are payable to the Authority relating to such Series for: (i) any expenditures of the Authority for fees and expenses of auditing, and fees and expenses of the Trustee and Paying Agents, all as required hereby, (ii) all other expenditures reasonably and necessarily incurred by the Authority in connection with the financing of the Project, including expenses incurred by the Authority to compel full and punctual performance of all the provisions of the Applicable Loan Agreement or Mortgage in accordance with the terms thereof, and (iii) any fees of the Authority; but only upon receipt by the Trustee of a certificate signed by an Authorized Officer of the Authority, stating in reasonable detail the amounts payable to the Authority pursuant to this paragraph Fourth.

The Trustee shall, promptly after making the above required payments, notify the Authority and the Institution of any balance of Revenues remaining on the immediately succeeding November 15. After making the above required payments, the balance, if any, of the Revenues then remaining shall, upon the direction of an Authorized Officer of the Authority, be paid by the Trustee to the Construction Fund or the Debt Service Fund, or paid to the Institution, in the respective amounts set forth in such direction, free and clear of any pledge, lien, encumbrance or security interest created hereby.

**SECTION 5.06 Debt Service Fund.** (a) The Trustee shall on or before the Business Day preceding each interest payment date pay to itself and any other Paying Agent out of the Debt Service Fund:

- (i) the interest due and payable on all Outstanding Bonds of a Series on such interest payment date;
- (ii) the principal amount due and payable on all Outstanding Bonds of a Series on such interest payment date; and
- (iii) the Sinking Fund Installments or other amounts related to a mandatory redemption, if any, due and payable on such interest payment date on Outstanding Bonds of a Series.

The amounts paid out pursuant to this Section shall be irrevocably pledged to and applied to such payments.

(b) Notwithstanding the provisions of paragraph (a) of this Section, the Authority may, at any time subsequent to the first principal payment date of any Bond Year but in no event less than forty-five (45) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with moneys on deposit in the Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Term Bonds of a Series to be redeemed from such Sinking Fund Installment. In addition, the Institution pursuant to the Applicable Loan Agreement may deliver, at any time subsequent to a principal payment date of any Bond Year, but in no event less than forty-five (45) days prior to the

succeeding date on which a Sinking Fund Installment is scheduled to be due, to the Trustee for cancellation one or more Term Bonds of the Series and maturity to be so redeemed on such date from such Sinking Fund Installment.

(c) Any Term Bond so purchased and delivered to the Trustee shall be canceled upon receipt thereof by the Trustee and evidence of such cancellation shall be given to the Authority. The principal amount of each Term Bond so canceled shall be credited against the Sinking Fund Installment due on such date, provided, however, that such Term Bond is canceled by the Trustee prior to the date on which notice of redemption is given.

(d) Moneys in the Debt Service Fund in excess of the amount required to pay the principal and Sinking Fund Installments of Outstanding Bonds of a Series payable on and prior to the next succeeding principal payment, the interest on Outstanding Bonds of a Series payable on and prior to the earlier of the next succeeding interest payment date, assuming that a Variable Interest Rate Bond will bear interest, from and after the next date on which the rate at which such Variable Interest Rate Bond bears interest is to be adjusted, at a rate per annum equal to the rate per annum at which such Bonds then bear interest, plus one percent (1%) per annum, and the purchase price or Redemption Price of Outstanding Bonds of a Series theretofore contracted to be purchased or called for redemption, plus accrued interest thereon to the date of purchase or redemption, shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to the purchase of Outstanding Bonds of a Series at purchase prices not exceeding the Redemption Price applicable on the next interest payment date on which such Bonds are redeemable, plus accrued and unpaid interest to such date, at such times, at such purchase prices and in such manner as an Authorized Officer of the Authority shall direct. If sixty (60) days prior to the end of a Bond Year an excess, calculated as aforesaid, exists in the Debt Service Fund of a Series of Bonds, such moneys shall be applied by the Trustee if directed by an Authorized Officer of the Authority given pursuant to Section 4.02 hereof to the redemption of Bonds of such Series as provided in Article IV hereof, at the Redemption Prices specified in the Applicable Series Resolution authorizing the issuance of the Bonds to be redeemed or the Bond Series Certificate relating to such Bonds.

**SECTION 5.07 Arbitrage Rebate Fund.** The Trustee shall deposit to the Arbitrage Rebate Fund any moneys delivered to it by the Institution for deposit therein and, notwithstanding any other provisions of this Article V, shall transfer to the Arbitrage Rebate Fund, in accordance with the directions of an Authorized Officer of the Authority, moneys on deposit in any other funds held by the Trustee hereunder at such times and in such amounts as shall be set forth in such directions.

Moneys on deposit in the Arbitrage Rebate Fund shall be applied by the Trustee in accordance with the direction of an Authorized Officer of the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. Moneys which an Authorized Officer of the Authority determines to be in excess of the amount required to be so rebated shall be deposited to any fund or account established hereunder in accordance with the written direction of such Authorized Officer.

The Authority shall periodically determine the amount which may be required by the Code to be rebated to the Department of the Treasury of the United States of America with respect

to a Series of Bonds and direct the Trustee to (i) transfer from any other of the funds and accounts held by the Trustee hereunder and deposit to the Arbitrage Rebate Fund such amount as the Authority shall have determined to be necessary in order to enable it to comply with its obligation to rebate moneys to the Department of the Treasury of the United States of America with respect to such Series of Bonds and (ii) if and to the extent required by the Code, pay out of the Arbitrage Rebate Fund to the Department of the Treasury of the United States of America the amount, if any, required by the Code to be rebated thereto.

**SECTION 5.08 Application of Moneys in Certain Funds for Retirement of Bonds.** Notwithstanding any other provisions hereof, if at any time the amounts held in an Applicable Debt Service Fund and an Applicable Debt Service Reserve Fund, if any, are sufficient to pay the principal or Redemption Price of all Outstanding Bonds of a Series and the interest accrued and unpaid and to accrue on such Bonds to the next date of redemption when all such Bonds are redeemable, or to make provision pursuant to Section 12.01(b) hereof for the payment of the Outstanding Bonds at the maturity or redemption dates thereof, the Trustee shall so notify the Authority and the Institution. Upon receipt of such notice, the Authority may, and at the direction of the Institution the Authority shall, (i) direct the Trustee to redeem all such Outstanding Bonds of a Series, whereupon the Trustee shall proceed to redeem or provide for the redemption of such Outstanding Bonds in the manner provided for redemption of such Bonds as provided in Article IV hereof, or (ii) give the Trustee irrevocable instructions in accordance with Section 12.01(b) hereof and make provision for the payment of such Outstanding Bonds at the maturity or redemption dates thereof in accordance therewith.

**SECTION 5.09 Transfer of Investments.** Whenever moneys in any fund or account established hereunder or under a Series Resolution are to be paid in accordance herewith to another such fund or account, such payment may be made, in whole or in part, by transferring to such other fund or account investments held as part of the fund or account from which such payment is to be made, whose value, together with the moneys, if any, to be transferred, is at least equal to the amount of the payment then to be made; **provided, however,** that no such transfer of investments would result in a violation of any investment standard or guideline applicable to such fund.

## ARTICLE VI.

### SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

**SECTION 6.01 Security for Deposits.** All money held hereunder by the Trustee shall be continuously and fully secured, for the benefit of the Authority and the Holders of a Series of Bonds, by direct obligations of the United States of America or obligations the principal of and interest on which are guaranteed by the United States of America of a market value equal at all times to the amount of the deposit so held by the Trustee; **provided, however,** (a) that if the securing of such money is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds, and (b) that it shall not be necessary for the Trustee or any Paying Agent to give security for the deposit of any money with them pursuant to Section 5.06 or Section 12.01 hereof and held in trust for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on a Series of Bonds, or for the Trustee to give security for any money which shall be represented by obligations purchased or other investments made under the provisions hereof as an investment of such money.

**SECTION 6.02 Investment of Funds and Accounts.** (a) Money held

hereunder by the Trustee, if permitted by law, shall, as nearly as may be practicable, be invested by the Trustee, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority (which direction shall specify the amount thereof to be so invested), in Government Obligations, Federal Agency Obligations or Exempt Obligations; **provided, however**, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes hereof.

(b) In lieu of the investments of money in obligations authorized in paragraph (a) of this Section, the Trustee shall, to the extent permitted by law, upon direction of the Authority given or confirmed in writing, signed by an Authorized Officer of the Authority, invest money in the Construction Fund in any Permitted Investment; **provided, however**, that each such investment shall permit the money so deposited or invested to be available for use at the times at which the Authority reasonably believes such money will be required for the purposes hereof, **provided, further**, that (x) any Permitted Collateral required to secure any Permitted Investment shall have a market value, determined by the Trustee or its agent periodically, but no less frequently than weekly, at least equal to the amount deposited or invested including interest accrued thereon, (y) the Permitted Collateral shall be deposited with and held by the Trustee or an agent of the Trustee approved by an Authorized Officer of the Authority, and (z) the Permitted Collateral shall be free and clear of claims of any other person.

(c) Permitted Investments purchased as an investment of money in any fund or account held by the Trustee under the provisions hereof shall be deemed at all times to be a part of such fund or account and the income or interest earned, profits realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account.

(d) In computing the amount in any fund or account held by the Trustee under the provisions hereof, each Permitted Investment shall be valued at par or the market value thereof, plus accrued interest, whichever is lower.

(e) Notwithstanding anything to the contrary herein, the Authority, in its discretion, may direct the Trustee to, and the Trustee shall, sell, present for redemption or exchange any investment held by the Trustee pursuant hereto and the proceeds thereof may be reinvested as provided in this Section. Except as otherwise provided herein, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any investment held by it pursuant hereto whenever it shall be necessary in order to provide money to meet any payment or transfer from the fund or account in which such investment is held. The Trustee shall advise the Authority and the Institution in writing, on or before the fifteenth (15th) day of each calendar month, of the amounts required to be on deposit in each fund and account hereunder and of the details of all investments held for the credit of each fund and account in its custody under the provisions hereof as of the end of the preceding month and as to whether such investments comply with the provisions of paragraphs (a), (b) and (c) of this Section. The details of such investments shall include the par value, if any, the cost and the current market value of such investments as of the end of the preceding month. The Trustee shall also describe all withdrawals, substitutions and other transactions occurring in each such fund and account in the previous month.

(f) No part of the proceeds of a Series of Bonds or any other funds of the Authority shall be used directly or indirectly to acquire any securities or investments the acquisition

of which would cause any Bond of a Series to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

**SECTION 6.03 Liability for Investments.** Neither the Authority nor the Trustee shall have any liability arising out of or in connection with the making of any investment authorized by the provisions of this Article VI, in the manner provided in this Article VI, for any depreciation in value of any such investment, or for any loss, direct or indirect, resulting from any such investment.

## **ARTICLE VII.**

### **PARTICULAR COVENANTS**

The Authority covenants and agrees with the Holders of the Bonds as follows:

**SECTION 7.01 Payment of Principal and Interest.** The Authority shall pay or cause to be paid the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on every Bond of each Series on the date and at the places and in the manner provided in such Bonds according to the true intent and meaning thereof.

**SECTION 7.02 Extension of Payment of Bonds.** The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds of a Series or claims for interest by the purchase or the time of payment of any funding of such Bonds or claims for interest or by any other arrangement and, in case the maturity of any of such Bonds or the time for payment of any such claims for interest shall be extended, such Bonds, or claims for interest shall not be entitled, in case of any default hereunder, to the benefit hereof or of a Series Resolution or to any payment out of any assets of the Authority or the funds (except funds held in trust for the payment of particular Bonds of a Series or claims for interest pursuant hereto and to a Series Resolution) held by the Trustee, except subject to the prior payment of the principal of all Outstanding Bonds the maturity of which has not been extended and of such portion of the interest on such Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue Option Bonds, Refunding Bonds or other bonds and notes to refund Outstanding Bonds as permitted hereby and by the Act and such issuance shall not be deemed to constitute an extension of the maturity of the Bonds refunded.

**SECTION 7.03 Powers as to Bonds and Pledge.** The Authority is duly authorized under the Act and all applicable laws to create and issue the Bonds of each Applicable Series, to adopt the Resolution and each Applicable Series Resolution and to pledge and assign the proceeds from the sale of any such Bonds, the Applicable Revenues, the Authority's security interest in the Applicable Pledged Revenues of the Institution and all funds and accounts established hereby and pursuant to a Series Resolution or Bond Series Certificate which are or may be pledged hereby, in the manner and to the extent provided herein and therein. The Authority further covenants that the proceeds from the sale of each Applicable Series of Bonds, the Applicable Revenues, the Authority's security interest in the Applicable Pledged Revenues of the Institution and all funds and accounts established hereby and by any Series Resolution or Bond Series Certificate which are or may be pledged hereby are and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto, prior to, or of equal rank with, the pledge created hereby and pursuant to the Applicable Series Resolution or Bond Series Certificate, other than any pledge, lien, charge or encumbrance upon the Revenues created by the Authority to secure its obligations to a Provider

which has provided a Credit Facility or a Liquidity Facility, if any, which may be of equal priority and rank with the charge and lien thereon created hereby and thereby and other than, with respect to the Pledged Revenues, the Prior Pledges and any existing or future parity liens in the Pledged Revenues to secure Parity Indebtedness; provided, however, that all or any Applicable Series of Bonds may be equally and ratably secured with respect to the Pledged Revenues and/or the Mortgaged Property. The Authority further covenants that all corporate action on the part of the Authority to that end has been duly and validly taken. The Authority further covenants that the Bonds and the provisions hereof and of each Series Resolution and Bond Series Certificate are and shall be the valid and legally enforceable obligations of the Authority in accordance with their terms and the terms hereof and of each Series Resolution and Bond Series Certificate. The Authority further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the proceeds of the sale of the Bonds of each Series, the Applicable Revenues the Authority's security interest in any Pledged Revenues, any Mortgage(s) and all funds and accounts established hereby and by any Series Resolution which are pledged hereby and by such Series Resolution or Bond Series Certificate and all of the rights of the Holders of Bonds of any Series under the Resolution and each Series Resolution and Bond Series Certificate against all claims and demands of all persons whomsoever.

**SECTION 7.04 Further Assurance.** The Authority, at any and all times, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, pledges and assignments hereby and by the Series Resolution created or made or intended to be created or made, or which the Authority may hereafter become bound to pledge or assign.

**SECTION 7.05 Accounts and Audits.** The Authority shall keep proper books of records and accounts (separate from all other records and accounts), which may be kept on behalf of the Authority by the Trustee, in which complete and correct entries shall be made of its transactions relating to each Series of Bonds, 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 Institution, the Trustee or of any Holder of a Bond of a Series or his representative duly authorized in writing. The Trustee shall annually prepare a report which shall be furnished to the Authority, to each Facility Provider and to the Institution. Such report shall include at least: a statement of all funds (including investments thereof) held by such Trustee and the Authority pursuant to the provisions hereof and the Applicable Series Resolution and Bond Series Certificate; a statement of the Revenues collected in connection herewith and with each Series Resolution; and complete and correct entries of the Authority's transactions relating to each Series of Bonds. A copy of such report shall, upon receipt of a written request therefor, and payment of any reasonable fee or charge made in connection therewith, be furnished to the registered owner of a Bond of a Series or any beneficial owner of a Book Entry Bond requesting the same.

**SECTION 7.06 Creation of Liens.** Except as permitted hereby or by or pursuant to a Series Resolution, the Authority shall not create, cause to be created or suffer or permit the creation of any lien or charge prior or equal to that of the Bonds of a Series on the proceeds from the sale of such Bonds, the Applicable Revenues, the Applicable Pledged Revenues of the Institution, the Authority's security interest in the Applicable Pledged Revenues of the Institution, the rights of the Authority to receive payments to be made under a Loan Agreement that are to be deposited with the Trustee or the funds and accounts established hereby and by any Series Resolution and Bond Series



Certificate which are pledged hereby other than, with respect to the Pledged Revenues, the Prior Pledges and any existing or future parity lien on the Pledged Revenues to secure Parity Indebtedness; provided, however, that each Series of Bonds may be equally and ratably secured by the Pledged Revenues and/or the Mortgaged Property, to the extent consented to by the Applicable Facility Providers; and; provided, further however, that nothing contained herein shall prevent the Authority from (i) issuing bonds, notes or other obligations or otherwise incurring indebtedness under another and separate resolution so long as the charge or lien created by such resolution is not prior to the charge or lien created hereby and by any Series Resolution and (ii) incurring obligations with respect to any Credit Facility or a Liquidity Facility which are secured by a lien upon and pledge of the Applicable Revenues of equal priority with the lien created and the pledge made hereby and by any Applicable Series Resolution.

**SECTION 7.07 Enforcement of Duties and Obligations of the Institution.**

Unless otherwise provided in an Applicable Assignment Agreement, the Authority shall take all legally available action to cause the Institution to perform fully all duties and acts and comply fully with the covenants of the Institution required by a Loan Agreement in the manner and at the times provided in such Loan Agreement; provided, however, that the Authority may (i) delay or defer or waive enforcement of one or more provisions of such Loan Agreement ( other than provisions requiring the payment of money or the delivery of securities to the Trustee for deposit to any fund or account established hereunder) if the Authority determines such delay, deferment, or waiver will not materially adversely affect the interests of the Holders of the Bonds of such Series and (ii) at any time prior to the occurrence of an Event of Default hereunder, annul any declaration that the indebtedness under such Loan Agreement is immediately due and payable and, if prior to the entry of a final judgment or decree in any action or proceeding instituted on account of an event of default under such Loan Agreement, discontinue such action or proceeding if the Institution shall have cured each event of default under such Loan Agreement.

**SECTION 7.08. Deposit of Certain Moneys in the Construction Fund.**

In addition to the proceeds of Bonds of a Series to be deposited in the Construction Fund, any moneys paid to the Authority for the acquisition, construction, reconstruction, renovation or equipping of a Project, including, if not inconsistent with the Applicable Mortgage and Applicable Intercreditor Agreement, the proceeds of any insurance or condemnation award to be so applied, shall be deposited in the Construction Fund.

**SECTION 7.09. Offices for Payment and Registration of Bonds.**

The Authority shall at all times maintain an office or agency in the State where Bonds of a Series may be presented for payment. The Authority may, pursuant to a Supplemental Resolution or a Series Resolution or pursuant to a resolution adopted in accordance with Section 8.02 hereof, designate an additional Paying Agent or Paying Agents where Bonds of the Series authorized thereby or referred to therein may be presented for payment. The Authority shall at all times maintain an office or agency in the State where Bonds of a Series may be presented for registration, transfer or exchange and the Trustee is hereby appointed as its agent to maintain such office or agency for the registration, transfer or exchange of such Bonds. The provisions of this Section shall be subject to the provisions of Section 3.01 hereof.

**SECTION 7.10 Reserved.**

**SECTION 7.11 Amendment of Loan Agreement.**

A Loan Agreement may not be amended, changed, modified, altered or terminated nor may any provision thereof be waived if any such amendment, change, modification, alteration, termination or waiver would adversely

affect the interest of the Holders of Outstanding Bonds of the Applicable Series to which such Loan Agreement relates in any material respect unless consented to in writing by the Holders of at least a majority in aggregate principal amount of the Bonds of such Series then Outstanding. Any consent given pursuant to this paragraph by the Holders of Bonds shall, except as otherwise provided in this Section, be given in the same manner required by Article X hereof.

Except as provided in this Section 7.11 or an Applicable Assignment Agreement, a Loan Agreement may be amended, changed, modified or altered (i) to make changes necessary or appropriate in connection with the acquisition, construction, reconstruction, rehabilitation and improvement, or otherwise providing, furnishing and equipping of any facilities constituting a part of any Project or to otherwise amend the Project, or (ii) with the consent of the Trustee, to cure any ambiguity, or to correct or supplement any provisions contained in such Loan Agreement which may be defective or inconsistent with any other provisions contained herein or in the Applicable Loan Agreement, or (iii) with the consent of the Applicable Facility Provider, to cure any ambiguity, or to correct or supplement any provision contained in the Applicable Loan Agreement which may be defective. Except as otherwise provided in this Section, a Loan Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds or the Trustee. Prior to execution by the Authority of any amendment, a copy thereof certified by an Authorized Officer of the Authority shall be filed with the Trustee.

For the purposes of this Section, the purchasers of Bonds of a Series, whether purchasing as underwriters, Remarketing Agent or otherwise for resale, may upon such purchase consent to an amendment, change, modification, alteration, termination or waiver permitted by this Section in the manner provided herein, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or Remarketing Agent or for resale, the nature of the amendment, change, modification, alteration, termination or waiver and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document, if any, prepared in connection with the initial offering, reoffering or resale of the Bonds of such Series.

For the purposes of this Section, a Series shall be deemed to be adversely affected by an amendment, change, modification, alteration or termination of the Applicable Loan Agreement or the waiver of any provision thereof if the same adversely affects or diminishes the rights of the Holders of the Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series would be adversely affected in any material respect by any amendment, change, modification, alteration, termination or waiver and any such determination shall be binding and conclusive on the Institution, the Authority and all Holders of Bonds of such Series.

For all purposes of this Section, the Trustee shall be entitled to rely upon an opinion of counsel, which counsel shall be satisfactory to the Trustee, with respect to whether any amendment, change, modification, alteration, termination or waiver adversely affects the interests of any Holders of Bonds of a Series then Outstanding in any material respect.

**SECTION 7.12 Notice as to Event of Default under Loan Agreements.** The Authority shall notify the Trustee in writing that an “Event of Default” under the Loan Agreement(s), as such term is defined in the Loan Agreement(s), has occurred and is continuing, which notice shall be given as soon as practicable after the Authority has obtained actual knowledge thereof.

**SECTION 7.13 Reserved**

**SECTION 7.14 General.** The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions hereof in accordance with the terms of such provisions.

Upon the date of issuance of Bonds of a Series, all conditions, acts and things required by the statutes of the State and hereby to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds, shall exist, have happened and have been performed and the issuance of such Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by the laws of the State.

**ARTICLE VIII.  
CONCERNING THE TRUSTEE**

**SECTION 8.01 Appointment and Acceptance of Trustee.** The Authority, prior to the delivery of Bonds of a Series, shall appoint a Trustee by or in the manner provided in this Resolution or in the Series Resolution or Bond Series Certificate authorizing or relating to the initial Series of Bonds issued hereunder. The Trustee shall also serve as Paying Agent. The Trustee shall signify its acceptance of the duties and obligations of Trustee and Paying Agent imposed upon it hereby by written instrument of acceptance delivered to the Authority.

**SECTION 8.02 Appointment and Acceptance of Paying Agents.** In addition to the Trustee, who shall also serve as Paying Agent, the Authority may appoint one or more Paying Agents for the Bonds of a Series in the Series Resolution authorizing such Bonds or in the manner provided herein or in such Series Resolution or shall appoint such Paying Agent or Paying Agents by resolution of the Authority adopted prior to the authentication and delivery of such Bonds, and may at any time or from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 8.13 hereof for the appointment of a successor Paying Agent. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it hereby by written instrument of acceptance deposited with the Authority and the Trustee.

**SECTION 8.03 Responsibilities of Trustee and Paying Agents.** The recitals of fact contained herein and in each Series Resolution and in the Bonds of a Series shall be taken as the statements of the Authority and neither the Trustee nor any Paying Agent assumes any responsibility for the correctness of the same. Neither the Trustee nor any Paying Agent makes any representations as to the validity or sufficiency hereof, of any Series Resolution or of any Bonds of a Series, or in respect of the security afforded hereby or by each Series Resolution, and neither the Trustee nor any Paying Agent shall incur any responsibility in respect thereof. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to: (i) the issuance of the Bonds for value; (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee or Paying Agent; or (iii) the application of any moneys paid to the Authority or others in accordance herewith and with the Applicable Series Resolution and Bond Series Certificate except as to the application of any moneys paid to it in its capacity as Trustee or Paying Agent. Neither the Trustee nor any Paying Agent shall be liable in connection with the performance of its duties hereunder and under the Applicable Series Resolution except for its own negligence or default.

The duties and obligations of the Trustee and any Paying Agent shall be determined by the express provisions hereof and of each Applicable Series Resolution and Bond Series Certificate and neither the Trustee nor any Paying Agent shall be liable except for the performance of such duties and obligations as are specifically set forth herein and in each Applicable Series Resolution.

Neither the Trustee nor any Paying Agent shall be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it hereby or by any Series Resolution.

**SECTION 8.04 Property Held in Trust.** All moneys and securities conveyed to or held by the Trustee, except for amounts held in the Arbitrage Rebate Fund and any fund or account established solely for purposes of making payments to reimburse a Facility Provider, if any, at any time pursuant to the terms hereof and of each Applicable Series Resolution shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions hereof and of each Applicable Series Resolution.

The Trustee shall hold all moneys in the Arbitrage Rebate Fund as the agent of the Authority and shall not disburse amounts therefrom except pursuant to the written instructions of an Authorized Officer of the Authority.

**SECTION 8.05 Evidence on Which Fiduciaries May Act.** The Trustee and any Paying Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties. The Trustee and any Paying Agent may consult with counsel, who may or may not be of 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 in good faith and in accordance therewith.

Whenever the Trustee or any Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder and under a Series Resolution, such matter (unless other evidence in respect thereof be specifically prescribed hereby) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Officer of the Authority or, with the permission of an Authorized Officer of the Authority, signed by an Authorized Officer of the Institution. Such certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof and of a Series Resolution upon the faith thereof, but in its discretion the Trustee or any Paying Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein and in each Series Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof and of any Series Resolution by the Authority to the Trustee or any Paying Agent shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer.

**SECTION 8.06 Compensation.** Unless otherwise provided by contract with the Trustee or any Paying Agent, the Authority shall pay to the Trustee and to each Paying Agent, from time to time, reasonable compensation for all services rendered by it hereunder and under the Applicable Series Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties hereunder and under the Applicable Series Resolution and the Trustee and each Paying Agent shall, except as otherwise set forth in a Series Resolution or Bond

Series Certificate, have a lien therefor on any and all funds at any time held by it hereunder and under the Applicable Series Resolution (other than the Debt Service Fund, the Debt Service Reserve Fund, if any, the Arbitrage Rebate Fund and any fund or account established solely for the payment of the principal or Redemption Price of or interest on Option Bonds or purchase price of Option Bonds tendered for purchase or for purposes of making payments to reimburse a Facility Provider, if any) prior to any of the Bonds of a Series for which such services have been rendered; provided, however, that neither the Trustee nor any Paying Agent shall be entitled to compensation for any expenses, charges, counsel fees or other disbursements incurred in connection with or incident to its resignation or its removal by the Holders of Bonds or by a court of competent jurisdiction as provided in Sections 8.09 or 8.13 hereof whether or not the same were incurred in or about the performance of its powers and duties hereunder or under a Series Resolution in connection with its resignation or removal. The Authority shall indemnify and save the Trustee and each Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and under the Applicable Series Resolution and which are not due to its negligence or default. None of the provisions contained herein or in any Series Resolution shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it. Except as otherwise set forth in a Series Resolution or Bond Series Certificate, the Trustee shall not be required to take any action at the request or direction of a Provider made or given pursuant to Article XI hereof unless and until such Facility Provider shall have indemnified and saved the Trustee harmless against any liabilities and all reasonable expenses, charges, counsel fees and other disbursements, including those of the Trustee's attorneys, agents and employees, incurred in connection with or as a result of taking the action requested or directed by the Applicable Facility Provider to be taken and which are not due to the Trustee's negligence or default.

**SECTION 8.07 Permitted Acts.** The Trustee and any Paying Agent may become the owner of or may deal in Bonds of a Series as fully and with the same rights as if it were not such Trustee or Paying Agent. The Trustee and any Paying Agent 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, the Authority or any committee formed to protect the rights of Holders of Bonds of a Series or to effect or aid in any reorganization growing out of the enforcement hereof or of such Bonds or any Series Resolution whether or not such committee shall represent the Holders of a majority in principal amount of the Outstanding Bonds of a Series in respect of which any such action is taken.

**SECTION 8.08 Resignation of Trustee.** The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder and under a Series Resolution by giving not less than sixty (60) days written notice to the Authority, the Institution, and each Applicable Facility Provider, which notice shall specify the date when such resignation shall take effect and mail to the registered owners of the Bonds of a Series a copy of such notice, by first class mail, postage prepaid, at their last known addresses, if any, appearing on the registration books of the Authority. Such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed as provided in Section 8.10 hereof, in which event such resignation shall take effect immediately on the appointment of such successor; **provided, however,** that such resignation shall not take effect until a successor Trustee has been appointed and has accepted such appointment pursuant to Section 8.10 hereof.

**SECTION 8.09 Removal of Trustee.** The Trustee, or any successor thereof, may be removed at any time by the Holders of a majority in principal amount of the Outstanding

Bonds of a Series, excluding any Bonds of such Series 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 the Authority. The Trustee, or any successor thereof, may also be removed at any time for cause or any breach of trust or for acting or proceeding in violation of, or failing to act or proceed in accordance with, any provisions hereof or of a Series Resolution with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon application by the Authority or the Holders of not less than twenty per centum (20%) in aggregate principal amount of Bonds then Outstanding of such Series, excluding such Bonds held by or for the account of the Authority. The Trustee may also be removed at any time, other than during the continuance of an Event of Default hereunder, by the Authority, by an instrument in writing signed and acknowledged by an Authorized Officer of the Authority. No removal hereunder shall take effect until a successor Trustee has been appointed. A copy of each instrument or order providing for the removal of the Trustee, or any successor thereof, shall be delivered by the Authority to the Trustee or such successor thereof, the Institution and each Applicable Facility Provider.

**SECTION 8.10 Successor Trustee.** In case the Trustee of a Series, or any successor hereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the Authority shall forthwith appoint a Trustee to act as Trustee and Paying Agent. Copies of any resolution of the Authority providing for any such appointment shall be delivered by the Authority to the Trustee so appointed, the predecessor Trustee, to each Applicable Facility Provider and to the Institution. The Authority shall mail notice of any such appointment not later than thirty (30) days after such appointment to the registered owner of the Bonds of the Applicable Series by first class mail, postage prepaid, at their last know addresses if any appearing on the registration books of the Authority.

If in a proper case no appointment of a successor shall be made within forty-five (45) days after the giving of written notice in accordance with Section 8.08 hereof or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder of the Applicable Series may apply to any court of competent jurisdiction for the appointment of such a successor, and such court may thereupon, after such notice, if any, as such court may deem proper, appoint such successor. Any successor appointed under the provisions of this Section shall be a bank located in the State having trust powers or a trust company organized under the laws of the State or national banking association located in the State having a capital and surplus aggregating at least \$125,000,000, if there be such a bank having trust powers or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms and authorized by law to perform all the duties required hereby and by the Applicable Series Resolution.

**SECTION 8.11 Transfer of Rights and Property to Successor Trustee.**

Any successor appointed under the provisions of Section 8.10 hereof shall execute, acknowledge and deliver to its predecessor, and also to the Authority, an instrument accepting such appointment, and thereupon such successor, without any further act, deed or conveyance shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of its predecessor hereunder and under a Series Resolution, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request by the Authority or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in

such successor all the right, title and interest of such Trustee in and to any property held by it hereunder, and shall pay over, assign and deliver to such successor any moneys or other properties subject to the trusts and conditions set forth herein. Should any deed, conveyance or instrument in writing from the Authority be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties or obligations, 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.

**SECTION 8.12. Merger or Consolidation of the Trustee.** Any company into which the Trustee may be merged or with which it may be consolidated or any company resulting from any merger or consolidation to which it shall be a party or any company to which such Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank having trust powers or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 8.10 hereof, shall be the successor to such Trustee, without any further act, deed or conveyance.

**SECTION 8.13 Resignation or Removal of the Paying Agents and Appointment of Successors.** Any Paying Agent (other than the Trustee) may at any time resign and be discharged of the duties and obligations created hereby and by the Applicable Series Resolution by giving at least sixty (60) days' written notice to the Authority and Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the Authority. Any successor Paying Agent shall be appointed by the Authority and (subject to the requirements of Section 7.09 hereof shall be a bank having trust powers or trust company organized under the laws of any state of the United States of America or a national banking association, having a capital and surplus aggregating at least \$25,000,000, and willing and able to accept the office of Paying Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it hereby and by the Applicable Series Resolution.

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 to its successor, or if there be no successor then appointed, to the Trustee until such successor be appointed. The Authority shall give written notice of the resignation or removal of any Paying Agent of any Series of Bonds and of the appointment of a successor thereto to the Institution and to each Applicable Facility Provider.

**SECTION 8.14 Amortization Schedule.** Upon the request of an Authorized Officer of the Authority or the Institution, the Trustee shall prepare a schedule setting forth as of the date of such schedule the principal amount of Outstanding Bonds of a Series, the dates on which the principal and Sinking Fund Installments, if any, of all Outstanding Bonds of such Series are payable, the dates on which the interest on such Outstanding Bonds other than Variable Interest Rate Bonds are payable, the amount payable on each such date for the principal and Sinking Fund Installments, if any, of and interest on Outstanding Bonds of such Series, exclusive of the interest payable on Variable Interest Rate Bonds, the aggregate amount thereof payable on each such date and the aggregate amount payable on each such date for the principal and Sinking Fund Installments, if any, of Outstanding Bonds of such Series and interest on Outstanding Bonds of such Series other than Variable Interest Rate Bonds.

## **ARTICLE IX.**

### **SERIES RESOLUTIONS AND SUPPLEMENTAL RESOLUTIONS**

**SECTION 9.01 Modification and Amendment Without Consent.**

Notwithstanding any other provisions of this Article IX or Article X hereof, the Authority may adopt at any time or from time to time Series Resolutions or Supplemental Resolutions for any one or more of the following purposes, and any such Series Resolution or Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority:

(a) To provide for the issuance of a Series of Bonds pursuant to the provisions hereof and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;

(b) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds of a Series, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained herein;

(c) To prescribe further limitations and restrictions upon the issuance of Bonds of a Series and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(d) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms hereof, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained herein;

(e) To confirm, as further assurance, any pledge hereunder or under a Series Resolution, and the subjection to any lien, claim or pledge created or to be created by the provisions hereof, or any Series Resolution, of the Revenues, or any pledge of any other moneys, securities or funds;

(f) To modify any of the provisions hereof or of any previously adopted Series Resolution or Supplemental Resolution in any other respects, provided that such modifications shall not be effective until after all Bonds of a Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution or Series Resolution shall cease to be Outstanding, and all Bonds of such Series issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent Resolutions;

(g) To modify or amend a Project; or

(h) With the consent of the Trustee, to cure any ambiguity or defect or inconsistent provision herein or to insert such provisions clarifying matters or questions arising hereunder as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent herewith as theretofore in effect, or to modify any of the provisions hereof or of any previously adopted Series Resolution or Supplemental Resolution in any other respect, provided that such modification shall not adversely affect the interests of the Bondholders of a Series in any material respect.

**SECTION 9.02 Supplemental Resolutions Effective With Consent.**

The provisions hereof or of a Series Resolution may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of the Bondholders of the Applicable Series of Bonds in accordance with and subject to the provisions of Article X hereof, such



Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution upon its becoming effective.

**SECTION 9.03 General Provisions Relating to Series Resolutions and Supplemental Resolutions.** The Resolution shall not be modified or amended in any respect except in accordance with and subject to the provisions of this Article IX and Article X hereof. Nothing contained in this Article IX or Article X hereof shall affect or limit the rights or obligations of the Authority to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of Section 7.04 hereof or the right or obligation of the Authority to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere herein provided or permitted to be delivered to the Trustee or any Paying Agent.

A copy of every Series Resolution and Supplemental Resolution adopted by the Authority, when filed with the Trustee, shall be accompanied by an opinion of Bond Counsel stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions hereof, is authorized or permitted hereby and is valid and binding upon the Authority and enforceable in accordance with its terms. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution and each applicable Facility Provider upon its becoming effective.

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

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent or of a Facility Provider shall become effective without the written consent of the Trustee, Paying Agent or Facility Provider affected thereby.

**SECTION 9.04. Intercreditor Agreement.** The Trustee is hereby authorized to execute and deliver, as necessary, an Intercreditor Agreement in form and substance satisfactory to the Authority, and the Institution, and is hereby directed to perform all the obligations to be performed thereunder. So long as an Applicable Credit Facility is in effect, such Intercreditor Agreement may be amended, supplemented or terminated without the consent of Bondholders of the Applicable Series of Bonds.

**SECTION 9.05. Terms of Intercreditor Agreement Controlling.** To the extent of a conflict between the terms of this Resolution or any Series Resolution and an Intercreditor Agreement, the provisions of the Intercreditor Agreement shall be deemed to control.

## ARTICLE X.

### AMENDMENTS OF RESOLUTION

**SECTION 10.01 Powers of Amendment.** Any modification or amendment hereof or of any Series Resolution that modifies or amends the rights and obligations of the Authority and of the Holders of a Series of Bonds hereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as hereinafter provided in Section 10.02 hereof, (i) of the Holders of at least a majority in principal amount of the Bonds Outstanding of such Series at the time such consent is given or (ii) in case the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least a majority in principal amount of the Bonds of the Series, maturity and interest rate entitled to such Sinking Fund Installment, Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond of a Series or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds of a Series the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment hereof if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series in any material respect. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, the Bonds of a particular Series or maturity would be affected by any modification or amendment hereof and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds of such Series. The Trustee may receive an opinion of counsel, including an opinion of Bond Counsel, as conclusive evidence as to whether the Bonds of any particular Series or maturity would be so affected by any such modification or amendment hereof. The Trustee shall transmit a copy of such Supplemental Resolution to the Institution upon its becoming effective.

**SECTION 10.02 Consent of Bondholders.** The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 10.01 hereof to take effect when and as provided in this Section. A copy of such Supplemental Resolution ( or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to the Bondholders of a Series of Bonds affected thereby for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption be mailed by the Authority to such Bondholders (but failure to mail such copy and request to any particular Bondholder 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 (i) there shall have been filed with the Trustee (a) the written consent of the Holders of the percentages of Outstanding Bonds of a Series specified in Section 10.01 hereof and (b) an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions hereof, is authorized or permitted hereby, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of the holding or owning at the date of such consent, of the Bonds of a Series with respect to which such consent is given, which proof shall be such as is permitted by Section 13.01 hereof. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 13.01 hereof shall be conclusive proof that the consents have been given by the Holders of the Bonds of a Series described in the certificate or certificates of the Trustee.

Any consent given by a Bondholder shall be binding upon the Bondholder giving such consent and, anything in Section 13.01 hereof to the contrary notwithstanding, upon any subsequent Bondholder and of any Bonds of a Series issued in exchange therefor (whether or not such subsequent

Holder thereof has notice thereof), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section provided for is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds of a Series shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that such Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive evidence that such consents have been so filed.

At any time thereafter notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds of a Series and will be effective as provided in this Section, shall be given to such Bondholders by the Trustee at the direction of the Authority by mailing such notice to such Bondholders and, at the discretion of the Authority, by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds of such Series shall have filed their consents to the Supplemental Resolution and the written statement of the Trustee hereinabove provided for is filed (but failure to publish such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section provided). The Authority shall file with the Trustee proof of the mailing of such notice, and, if the same shall have been published, of the publication thereof. A transcript, consisting of the papers required or permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Trustee, each Paying Agent, and the Holders of all Bonds of such Series upon the filing with the Trustee of proof of the mailing of such notice or at the expiration of thirty (30) days after the filing with the Trustee of the proof of the first publication of such last mentioned notice, if such notice is published, 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 thirty (30) day period; provided, however, that the Authority, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

For the purposes of this Article X, the purchasers of the Bonds of a Series, whether purchasing as underwriters or Remarketing Agent, for resale or otherwise, upon such purchase, may consent to a modification or amendment permitted by Section 10.01 or Section 10.03 hereof in the manner provided herein, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or Remarketing Agent or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document, if any, prepared in connection with the primary offering of the Bonds of such Series by the Authority.

**SECTION 10.03 Modifications by Unanimous Consent.** The terms and provisions hereof and the rights and obligations of the Authority and of the Holders of the Bonds of a Series may be modified or amended in any respect upon the adoption and filing with the Trustee by the Authority of a copy of a Supplemental Resolution certified by an Authorized Officer of the

Authority and the consent of the Holders of all of the Bonds then Outstanding of a Series, such consent to be given as provided in Section 10.02 hereof, except that no notice to the Bondholders either by mailing or publication shall be required.

**SECTION 10.04. Consent of Facility Provider.** Whenever by the terms of this Article X the consent of any of the Holders of the Bonds of a Series to a modification or amendment hereof made by a Series Resolution or Supplemental Resolution is required, such modification or amendment shall not become effective until the written consent of each Applicable Facility Provider has been obtained. No modification or amendment hereof which adversely affects a Provider shall be made without the written consent thereto of the Applicable Facility Provider affected thereby. Notice of the adoption of any such Series Resolution or Supplemental Resolution and of the effectiveness of the modification or amendment made thereby shall be given to each Applicable Facility Provider by mail at the times and in the manner provided herein with respect to notices thereof required to be given to the Holders of the Bonds of a Series. Notice thereof shall also be given to each Rating Service as soon as practical after adoption of such Series Resolution or Supplemental Resolution and of the effectiveness thereof. In the event that the Applicable Facility Provider has provided a letter of credit (the primary letter of credit) and, as security for the performance of its obligations under the primary letter of credit, a confirming standby letter of credit from another institution has been issued, consent shall only be required from the Applicable Facility Provider of the primary letter of credit and shall not be required from the Provider of the confirming standby letter of credit.

**SECTION 10.05 Mailing and Publication.** Any provision in this Article X for the mailing of a notice or other document to Bondholders shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of a Bond Series then Outstanding at such person's address, if any, appearing upon the registry books of the Authority, and (ii) to the Trustee.

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

**SECTION 10.06 Exclusion of Bonds.** Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action provided for herein, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for herein. At the time of any consent or other action taken hereunder, the Authority shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

**SECTION 10.07 Notation on Bonds.** Bonds of a Series delivered after the effective date of any action taken as provided in Article IX hereof or this Article X may, and if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding of such Series at such effective date and upon presentation of such Holder's Bond for such purpose at the principal corporate trust office of the Trustee suitable notation shall be made on such Bond by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds of a Series so modified as, in the opinion of the Trustee and the Authority, conform to such action shall be prepared and delivered, and upon demand of the Holder of any such Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

## ARTICLE XI.

### DEFAULTS AND REMEDIES

**SECTION 11.01 Trustee to Exercise Powers of Statutory Trustee.** The Trustee shall be and hereby is vested with all of the rights, powers and duties of a trustee appointed by Holders of a Series of Bonds pursuant to Section 1686 of the Act which are not inconsistent with the provisions of the Resolution and the right of such Holders to appoint a trustee pursuant to Section 1686 of the Act is hereby abrogated in accordance with the provisions of subdivision 4(g) of Section 1682 of the Act.

**SECTION 11.02 Events of Default.** An event of default shall exist hereunder and under an Applicable Series Resolution (herein called "Event of Default") if:

(a) With respect to the Applicable Series of Bonds, payment of the principal, Sinking Fund Installments, if any, or Redemption Price of any such Bond shall not be made by the Authority when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) With respect to the Applicable Series of Bonds, payment of an installment of interest on any such Bond shall not be made by the Authority when the same shall become due and payable; or

(c) With respect to the Applicable Series of Bonds, the Authority shall default in the due and punctual performance of any covenants contained in the Applicable Series Resolution authorizing the issuance thereof to the effect that the Authority shall comply with the provisions of the Code applicable to such Bonds necessary to maintain the exclusion of interest therein from gross income under Section 103 of the Code and shall not take any action which would adversely affect the exclusion of interest on such Bonds from gross income under Section 103 of the Code and, as a result thereof, the interest on the Bonds of such Series shall no longer be excludable from gross income under Section 103 of the Code; or

(d) With respect to the Applicable Series of Bonds, the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained herein or in such Bonds or in the Applicable Series Resolution on the part of the Authority to be performed and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of such Series, or if such default is not capable of being cured within thirty (30) days, if the Authority fails to commence within said thirty (30) days and diligently prosecute the cure thereof; or

(e) With respect to the Applicable Series of Bonds, the Authority shall have notified the Trustee that an Event of Default as defined in the Applicable Loan Agreement shall have occurred and be continuing and all sums payable by the Institution under the Applicable Loan Agreement shall have been declared to be immediately due and payable, which declaration shall not have been annulled.

**SECTION 11.03 Acceleration of Maturity.** Upon the happening and continuance of any event of default specified in Section 11.02 hereof, other than an event of default specified in paragraph (c) of Section 11.02 hereof, then and in every such case the Trustee shall, only upon the written request of the Holders of not less than twenty five (25%) in principal amount of the Outstanding Bonds of a Series, with a notice in writing to the Authority, declare the principal of and interest on all of the Outstanding Bonds of such Series to be immediately due and payable. At the expiration of thirty (30) days after notice of such declaration has been given, such principal and interest shall become and be immediately due and payable, anything herein or in a Series Resolution or in the Bonds of a Series to the contrary notwithstanding. At any time after the principal of such 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 default, or before the completion of the enforcement of any other remedy hereunder, the Trustee shall, with the written consent of the Holders of not less than twenty-five percent (25%) in principal amount of the Bonds of such Series not then due by their terms and then Outstanding, by written notice to the Authority, annul such declaration and its consequences if: (i) moneys shall have accumulated in the Debt Service Fund sufficient to pay all arrears of interest, if any, upon all of the Outstanding Bonds of such Series (except the interest accrued on such Bonds since the last interest payment date); (ii) money shall have accumulated and be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and any Paying Agent; (iii) all other amounts then payable by the Authority hereunder and under the Applicable Series Resolution (other than principal amounts payable only because of a declaration and acceleration under this Section 11.03) shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other default known to the Trustee in the observance or performance of any covenant, condition or agreement contained herein or in the Applicable Series Resolution or in such Bonds (other than a default in the payment of the principal of such Bonds then due only because of a declaration under this Section 11.03) shall have been remedied to the reasonable satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

**SECTION 11.04 Enforcement of Remedies.** Upon the happening and continuance of any Event of Default specified in Section 11.02 hereof, then and in every such case, the Trustee shall, upon the written request of the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds of the Series affected thereby, proceed (subject to the provisions of Section 8.06 hereof) to protect and enforce its rights and the rights of the Bondholders hereunder or under the Applicable Series Resolution or under the laws of the State by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained hereunder or under the Applicable Series Resolution or in aid or execution of any power herein or therein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce such rights, including the foreclosure of any defaulted Mortgage assigned to the Trustee.

In the enforcement of any remedy hereunder and under a Series Resolution the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then, or during any default becoming, and at any time remaining, due from the Authority for principal or interest or otherwise under any of the provisions of the Resolution or of a Series Resolution or of the Bonds of a Series, with interest on overdue payments of the principal of or interest on the Bonds at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under a Series Resolution and under such Bonds, without

prejudice to any other right or remedy of the Trustee or of the Holders of such Bonds, and to recover and enforce judgment or decree against the Authority but solely as provided herein, in a Series Resolution and in such Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable.

**SECTION 11.05 Priority of Payments After Default.** If at any time the money held by the Trustee hereunder and under a Series Resolution shall not be sufficient to pay the principal of and interest on the Bonds of a Series as the same become due and payable (either by their terms or by acceleration of maturity under the provisions of Section 11.03 hereof), such money together with any money then available or thereafter becoming available for such purpose, whether through exercise of the remedies provided for in this Article XI or otherwise, shall be applied (after first depositing in the Arbitrage Rebate Fund all amounts required to be deposited therein and then paying all amounts owing to the Trustee hereunder subject to Section 8.06 hereof) as follows:

(a) Unless the principal of all the Bonds of a Series has become or been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal, Sinking Fund Installments or Redemption Price of any Bonds of such Series which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amount available shall not be sufficient to pay in full all such amounts due on any date, then to the payment thereof ratably, according to the amount of principal, Sinking Fund Installments or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) Unless otherwise provided by or pursuant to an Applicable Series Resolution or Bond Series Certificate, if the principal of all of the Bonds of a Series has become or been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon such Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond of such Series over any other Bond of such Series, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to the difference in the respective rates of interest specified in such Bonds.

The provisions of this Section are in all respects subject to the provisions of Section 7.02 hereof.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such

application in the future. The setting aside of such moneys in trust for application in accordance with the provisions of this Section shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Authority, to any Holder of Bonds of a Series or to any other person for any delay in applying any such moneys so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions hereof as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be on an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement.

Amounts held by the Trustee after payments to be made pursuant to this Section 11.05 have been made and no Bonds of such Series are Outstanding shall be paid and applied in accordance with Section 12.01 hereof.

**SECTION 11.06 Termination of Proceedings.** In case any proceedings commenced by the Trustee on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then and in every such case the Authority, the Trustee, each applicable Facility Provider, the Institution and the Holders of such Series of Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been commenced.

**SECTION 11.07 Bondholders' Direction of Proceedings.** Anything herein to the contrary notwithstanding, the Holders of not less than a majority in principal amount of the Outstanding Bonds of a Series shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder and under a Series Resolution, provided, such direction shall not be otherwise than in accordance with law and the provisions hereof and of such Series Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

**SECTION 11.08 Limitation of Rights of Individual Bondholders.** No Holder of any of the Bonds of a Series shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder, or for any other remedy hereunder unless such Holder previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, and unless also the Holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds of such Series shall have made written request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted hereby or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses, and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts hereof or for any other remedy hereunder and in equity or at law. It is understood and intended that no one or more



Holders of the Bonds of a Series secured hereby and by a Series Resolution shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security hereof or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of the Outstanding Bonds of such Series. Notwithstanding any other provision hereof, the Holder of any Bond of a Series shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the stated maturity expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such right shall not be impaired without the consent of such Holder.

**SECTION 11.09 Actions by Trustee; Possession of Bonds by Trustee Not Required.** All rights of action hereunder or under any of the Bonds secured hereby and thereby, enforceable by the Trustee, may be enforced by it without the possession of any of such Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Holders of the Bonds to which such action relates, subject to the provisions hereof.

**SECTION 11.10 Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

**SECTION 11.11 Waiver and Non-Waiver of Default.** No delay or omission of the Trustee or any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein. Every power and remedy given by this Article XI to the Trustee and the Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may, and upon written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds of a Series, shall waive any default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof or before the completion of the enforcement of any other remedy hereunder; **provided, however**, that no such waiver shall extend to or affect any other existing or any subsequent default or defaults or impair any rights or remedies consequent thereon.

**SECTION 11.12 Notice of Event of Default.** The Trustee shall give notice of each Event of Default hereunder known to the Trustee and to each applicable Facility Provider as soon as practicable after knowledge of the occurrence thereof, to the Institution within five (5) days after knowledge of the occurrence thereof and to the Holders of Bonds of a Series within thirty (30) days after knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice; **provided, however**, that, except in the case of default in the payment of the principal or Redemption Price of, or interest on, any of such Bonds, the Trustee shall be protected in withholding notice thereof to the Holders of such Bonds if and so long as the Trustee in good faith determines that the withholding of such notice is in the best interests of such Holders. Each such notice of Event of Default shall be given by the Trustee by mailing written notice thereof: (i) to all registered Holders of Bonds of a Series, as the names and addresses of such Holders appear on the books for registration and transfer of Bonds as kept by the Trustee, (ii) to each Facility Provider, (iii) to the Institution and (iv) to such other persons as is required by law. Any such notice

required to be mailed to such Holders may, in the sole discretion of the Authority, be published by the Trustee in an Authorized Newspaper.

## ARTICLE XII.

### DEFEASANCE

**SECTION 12.01 Defeasance.** (a) If the Authority shall pay or cause to be paid to the Holders of Bonds of a Series the principal, Sinking Fund Installments, if any, or Redemption Price of and interest thereon, at the times and in the manner stipulated therein, herein, and in the applicable Series Resolution and Bond Series Certificate, then the pledge of the Revenues or other moneys and securities pledged to such Series of Bonds and all other rights granted hereby to such Series of Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver such documents to evidence such discharge and satisfaction as may be reasonably required by the Authority, and all moneys or other securities held by it pursuant hereto and to the applicable Series Resolution which are not required for the payment or redemption of Bonds of such Series shall be paid or delivered by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Facility Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each such Facility Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement(s) for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution. Such moneys or securities so paid or delivered shall be released from any trust, pledge, lien, encumbrance or security interest created hereby or by the Loan Agreement(s).

(b) Bonds for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit of moneys 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 paragraph (a) of this Section. All Outstanding Bonds of a Series or any maturity within such Series or a portion of a maturity within such 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 paragraph (a) of this Section if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in Article IV hereof notice of redemption on said date of such Bonds, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds of a Series on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee, in form satisfactory to it, irrevocable instructions to give, as soon as practicable, by first class mail, postage prepaid, to the Holders of said Bonds at their last known addresses, if any, appearing on the registration books, and, if directed by an Authorized Officer of the Authority, by publication, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice to the

Holders of such Bonds that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds. The Authority shall give written notice to the Trustee of its selection of the Series and maturity the payment of which is to be made in accordance with this Section. The Trustee shall select which Bonds of such Series, Sub-Series and maturity payment of which shall be made in accordance with this Section in the manner provided in Section 4.04 hereof. Neither the Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on said Bonds; **provided, however**, that any moneys received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest to become due on said Bonds on and prior to such redemption date or maturity date hereof, as the case may be; **provided, further**, that money and Defeasance Securities may be withdrawn and used by the Authority for any purpose upon (i) the simultaneous substitution therefor of either money in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which when due will provide money which without regard to reinvestment, together with the money, if any, held by or deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (ii) receipt by the Trustee of a letter or other written report of a firm of independent certified public accountants verifying the accuracy of the arithmetical computations which establish the adequacy of such money and Defeasance Securities for such purpose. Any income or interest earned by, or increment to, the investment of any such moneys so deposited, shall, to the extent certified by the Trustee to be in excess of the amounts required hereinabove to pay the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be paid by the Trustee as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the direction of an Authorized Officer of the Authority; second, to each Facility Provider the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Facility Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Loan Agreement(s) for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution, and any such moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created hereby or by the Loan Agreement(s).

(c) For purposes of determining whether Variable Interest Rate Bonds of a Series shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of moneys, or Defeasance Securities and moneys, if any, in accordance with clause (ii) of the second sentence of paragraph (b) of this Section 12.01, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Interest Rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such Maximum Interest Rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the

Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy clause (ii) of the second sentence of paragraph (b) of this Section 12.01, the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the provisions of the Applicable Tax Certificate at the direction of an Authorized Officer of the Authority; second, to each Applicable Facility Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Facility Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Applicable Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution, and any such moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created hereby or by the Loan Agreement(s).

(d) Option Bonds of a Series shall be deemed to have been paid in accordance with clause (ii) of the second sentence of paragraph (b) of this Section 12.01 only if, in addition to satisfying the requirements of clauses (i) and (iii) of such sentence, there shall have been deposited with the Trustee moneys in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Bonds which could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to paragraph (b) of this Section 12.01, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this paragraph (d). If any portion of the moneys deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Option Bonds is not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess as follows: first, to the Arbitrage Rebate Fund, the amount required to be deposited therein in accordance with the provisions of the Applicable Tax Certificate at the direction of an Authorized Officer of the Authority; second, to each Applicable Facility Provider, the Provider Payments which have not been repaid, pro rata, based upon the respective Provider Payments then unpaid to each Facility Provider; third, to the Authority the amount certified by an Authorized Officer of the Authority to be then due or past due pursuant to the Applicable Loan Agreement for fees and expenses of the Authority or pursuant to any indemnity; and, then, the balance thereof to the Institution, and any such moneys so paid by the Trustee shall be released of any trust, pledge, lien, encumbrance or security interest created hereby or by the Loan Agreement(s).

(e) Anything herein to the contrary notwithstanding, any money held by the Trustee or a Paying Agent in trust for the payment and discharge of any of the Bonds of a Series or the interest thereon which remain unclaimed for one (1) year after the date when all of the Bonds of such Series have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or Paying Agent at such date, or for one (1) year after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after said date when all of the Bonds of such Series become due and payable, or one (1) year after the date when the principal or Redemption Price of or interest on the Bonds for which said moneys is held was due and payable, shall, at the written request of the Authority, be repaid by the Trustee or Paying Agent to the Authority as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Holders of Bonds shall look only to the Authority for the payment of such Bonds; provided, however, that, before being required to make any such payment to the Authority, the Trustee or Paying Agent may, at the expense of the Authority, cause to be published in an Authorized Newspaper a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30)

nor more than sixty (60) days after the date of publication of such notice, the balance of such moneys then unclaimed shall be returned to the Authority.

### ARTICLE XIII.

#### EXECUTION OF INSTRUMENTS BY BOND HOLDERS AND PROOF OF OWNERSHIP OF BONDS

**SECTION 13.01 Evidence of Signatures of Bondholders and Ownership of Bonds.** Any request, consent or other instrument which the Resolution or a Series Resolution may require or permit to be signed and executed by a Holder or Holders of Bonds of a Series may be in one or more instruments of similar tenor, and shall be signed or executed by such Holder or Holders of Bonds of such Series in person or by his or their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, or the holding or owning by any person of such Bonds, shall be sufficient for any purpose hereof (except as otherwise herein expressly provided) if made in the manner set forth below, but the Trustee 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 Bondholder or his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of any officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, 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. The authority of the person or persons executing any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or a vice-president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary.

The ownership of Bonds of a Series and the amount, numbers and other identification, and date of holding or owning the same shall be proved by the registry books. Any request, consent or vote of the owner of any Bond of a Series shall bind all future owners of such Bond in respect of anything done or suffered to be done or omitted to be done by the Authority or the Trustee in accordance therewith.

### ARTICLE XIV.

#### MISCELLANEOUS

**SECTION 14.01 Preservation and Inspection of Documents.** All documents received by the Trustee from the Authority or from Holders of a Series of Bonds under the provisions hereof or of any Series Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the Institution, each Facility Provider, any Holder of a Series of Bonds and their agents and their representatives, any of whom may make copies thereof; **provided, however,** that with respect to inspection by such Holder of a Bond of such Series a written request of such Bondholder must have been received by the Trustee at least five (5) Business Days prior to the date of inspection. The Trustee shall maintain such records as an Applicable Facility Provider shall reasonably request with respect to matters relating to such Facility Provider.

**SECTION 14.02 Moneys and Funds Held for Particular Bonds.** The amounts

held by the Trustee or any Paying Agent for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on the Bonds of a Series due on any date with respect to particular Bonds of a Series shall, pending such payment, be set aside and held in trust by it for the Holders of such Bonds entitled thereto, and for the purposes hereof such principal or Redemption Price of and interest on such Bonds, due after such date thereof, shall no longer be considered to be unpaid.

**SECTION 14.03. Cancellation of Bonds.** The Trustee or any Paying Agent shall forthwith cancel all Bonds of a Series which have been redeemed or paid by it and may destroy such Bonds and deliver a certificate to that effect to the Authority. No such Bonds shall be deemed Outstanding Bonds hereunder and no Bonds shall be issued in lieu thereof.

**SECTION 14.04. No Recourse under Resolution or on the Bonds.** All covenants, stipulations, promises, agreements and obligations of the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any member, officer or employee of the Authority in his individual capacity, and no recourse shall be had for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on the Bonds or for any claims based thereon, hereon or on the Applicable Series Resolution against any member, officer or employee of the Authority or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of Bonds by the acceptance of the Bonds.

**SECTION 14.05. Severability of Invalid Provision.** If any one or more of the covenants, stipulations, promises, agreements and obligations provided herein or in a Series Resolution on the part of the Authority or the Trustee to be performed should be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, agreement or agreements or obligation or obligations shall be null and void, shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions hereof or of such Series Resolution or of the Bonds of such Series.

**SECTION 14.06. Parties in Interest.** Nothing herein or in any Series Resolution adopted pursuant to the provisions hereof, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or party other than the Authority, Trustee, Paying Agents, each Applicable Facility Provider and the Holders of the Bonds of a Series any rights, remedies or claims hereunder or by reason hereof or of any Series Resolution or any covenant, condition or stipulation thereof; provided, however, that with respect to the provisions hereof which require the Trustee to pay or deliver to the Institution any moneys or securities held by the Trustee hereunder, such provisions shall also be for the benefit of the Institution and, upon the failure of the Trustee to comply therewith, the Institution shall have such rights, remedies and claims as are provided hereunder or by reason hereof or by law. All covenants, stipulations, promises and agreements herein or in any Series Resolution contained by or on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee, the Paying Agents, the applicable Facility Providers and the Holders from time to time of the Bonds of a Series. Reserved.

**SECTION 14.07 Certain Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds.** (a) For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity, (ii) receiving payment of a Capital Appreciation Bond following an Event of Default, as provided in Section 11.05 hereof or (iii) computing the principal amount of Bonds held by the registered owner of a Capital Appreciation

Bond in giving to the Authority, the Institution or the Trustee any notice, consent, request, or demand pursuant hereto for any purpose whatsoever, the then current Accreted Value of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision hereof, the amount payable at any time with respect to the principal of and interest on any Capital Appreciation Bond shall not exceed the Accreted Value thereof at such time. For purposes of receiving payment of the Redemption Price or principal of a Capital Appreciation Bond called for redemption prior to maturity or the principal of which has been declared to be immediately due and payable pursuant to Section 11.03 hereof, the difference between the Accreted Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds of the Series of which it is a part were first issued shall be deemed not to be accrued and unpaid interest thereon.

(b) For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed, or (ii) receiving payment of a Deferred Income Bond following an “Event of Default,” as provided in Section 11.05 of the Resolution or (iii) computing the principal amount of Bonds held by the registered owner of a Deferred Income Bond in giving to the Authority or the Trustee any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the then current Appreciated Value of such Bond shall be deemed to be its principal amount. Notwithstanding any other provision hereof, the amount payable at any time prior to the Interest Commencement Date with respect to the principal of and interest on any Deferred Income Bond shall not exceed the Appreciated Value thereof at such time. For purposes of receiving payment prior to the Interest Commencement Date of the Redemption Price or principal of a Deferred Income Bond called for redemption prior to maturity or the principal of which has been declared to be immediately due and payable pursuant to Section 11.03 hereof, the difference between the Appreciated Value of such Bond when the Redemption Price or principal thereof is due upon such redemption or declaration and the principal of such Bond on the date the Bonds were first issued shall be deemed not to be accrued and unpaid interest thereon.

**SECTION 14.08 Credit Facility Provider as Holder.** If provided in or authorized by the Series Resolution authorizing the issuance of a Series of Bonds, the Authority may provide for the rights of the Facility Provider of a Credit Facility in connection with Bonds of such Series, which rights may include that, whenever by the terms of the Resolution the Holders of any percentage in principal amount of Outstanding Bonds may exercise any right or power, consent to any amendment, change, modification or waiver, or request or direct the Trustee to take an action, such Facility Provider may be deemed to be the Holder of such Bonds.

**SECTION 14.09 Termination of Facility Provider’s Rights.** Whenever by the terms hereof the consent or approval of a Facility Provider is required or a Facility Provider, alone or together with any other Facility Provider or the Holders of Bonds, is authorized to request or direct the Trustee to take any action, such consent or approval shall not be required and the Trustee shall not be obligated to comply with such request or direction if such Facility Provider is then in default in its payment obligations. Nothing contained herein shall limit or impair the rights of the Holders of Bonds to give any consent or approval or to request or direct the Trustee to take any action and, if a Facility Provider is then in default under its facility, such consent or approval shall be effective without the consent or approval of such Facility Provider otherwise required hereby and the Trustee shall comply with such request or direction notwithstanding that such request or direction is required to be made or given together with such Facility Provider.

**SECTION 14.10 Notices.** Except as otherwise provided herein, any notices,

directions or other instruments required to be given or delivered pursuant hereto or to any Series Resolution shall be in writing and shall be delivered by hand against the written receipt therefor or sent by registered or certified mail addressed: in the case of the Authority, to it to the attention of the Authority's Executive Director with a copy to the Authority's General Counsel, at 515 Broadway, Albany, New York 12207; in the case of the Trustee, addressed to it at the principal corporate trust office of the Trustee at the address of such principal corporate trust office; in the case of the Institution, addressed to it to the attention of persons and at the addresses set forth in the Applicable Loan Agreement; or, in each case, to such other individual and at such other address as the person to be notified shall have specified by notice to the other persons.

**SECTION 14.11 Other Resolutions.** The Authority expressly reserves the right to adopt one or more other bond resolutions and to issue bonds, bond anticipation notes, notes and other obligations thereunder without compliance with the provisions hereof.

**SECTION 14.12 Authority to Deliver this Resolution.** An Authorized Officer of the Authority is hereby authorized and directed to deliver this Resolution with such changes, insertions and omissions as may be approved by such Authorized Officer, such delivery being conclusive evidence of such approval; and **provided, however**, such changes, insertions and omissions shall be necessary to effectuate the intent of this Resolution.

**SECTION 14.13 Headings.** Any headings preceding the text of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part hereof nor shall they affect its meaning, construction or effect.

**SECTION 14.14 Governing Laws.** The Resolution shall be governed by and construed in accordance with the laws of the State.

**SECTION 14.15 Effective Date.** This Resolution shall take effect immediately upon its adoption.



**DORMITORY AUTHORITY  
OF THE STATE OF NEW YORK**

\_\_\_\_\_  
**SERIES RESOLUTION**  
\_\_\_\_\_

**Authorizing Up To**  
**\$77,000,000**  
**Saint Mary's Hospital for Children**  
**Revenue Bonds, Series 2019**

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**Adopted October 16, 2019**

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**SERIES RESOLUTION**

**AUTHORIZING UP TO**

**\$77,000,000**

**THE SAINT MARY'S HOSPITAL FOR CHILDREN**

**REVENUE BONDS, SERIES 2019**

**BE IT RESOLVED** by the Dormitory Authority of the State of New York, as follows:

**ARTICLE I.**

**Definitions and Statutory Authority**

**SECTION 1.01. Series 2019 Resolution.** This "Series Resolution Authorizing Up to \$77,000,000 The Saint Mary's Hospital for Children Revenue Bonds, Series 2019" is supplemental to, and constitutes a Series Resolution within the meaning of and is adopted in accordance with Article II of, the resolution adopted by the Authority on October 16, 2019, entitled "The Saint Mary's Hospital for Children Revenue Bond Resolution: A Resolution Authorizing The Issuance By The Dormitory Authority of The State of New York of Its Saint Mary's Hospital for Children Revenue Bonds; Providing For The Payment of The Principal of and Interest On Such Bonds; and Providing For The Rights of The Holders Thereof," and referred to herein as the "**Resolution**".

**SECTION 1.02. Definitions.** (a) All terms which are defined in Section 1.01 of the Resolution, unless otherwise defined herein, shall have the same meanings, respectively, in this Series 2019 Resolution as such terms are given in said Section 1.01 of the Resolution.

(b) In addition, as used in this Series 2019 Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings.

**"Bond Purchase Agreement"** means the Bond Purchase Agreement, dated November [15], 2019, by and among the Authority, Saint Mary's Hospital for Children, Inc., and Manufacturers and Traders Trust Company, as the direct purchaser named therein.

**"Project"** has the meaning given such term in the Loan Agreement.

**"QIB or QIBs"** means one or more Qualified Institutional Buyers as defined under Regulation D and Rule 144A promulgated under the Securities Act of 1933, as amended, and the only authorized Beneficial Owners of any Series 2019 Bonds (defined below) issued pursuant to this Series 2019 Resolution. Investors who qualify as "Accredited Investors" under Regulation D but who do not also qualify as QIBs are not eligible to purchase Series 2019 Bonds or to become Beneficial Owners of the Series 2019 Bonds.

**“Refinanced Obligations”** means all or any portion of the outstanding tax-exempt private placement bond issuance referred to as The Saint Mary’s Hospital For Children Revenue Bonds, Series 2010.

**“Series 2019 Bond Series Certificate”** means the Series 2019 Bond Series Certificate authorized by Article II of this Series 2019 Resolution and executed in conjunction with the sale of the Series 2019 Bonds.

**“Series 2019 Bonds”** means the Bonds authorized by Article II of this Series 2019 Resolution.

**“Series 2019 Resolution”** means this Series Resolution Authorizing Up To \$77,000,000 The Saint Mary’s Hospital For Children Revenue Bonds, Series 2019.

**“Tax-Exempt Bonds”** means Bonds the interest on which is intended to be excluded from gross income for purposes of federal income taxation.

**“Taxable Bonds”** means Bonds the interest on which is intended to be included in gross income for purposes of federal income taxation.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Series 2019 Resolution, refer to this Series 2019 Resolution.

**SECTION 1.03. Authority for this Series 2019 Resolution.** This Series 2019 Resolution is adopted pursuant to the provisions of the Act and the Resolution.

## **ARTICLE II. Authorization, Terms and Issuance of Series 2019 Bonds**

**SECTION 2.01. Authorization of Series 2019 Bonds, Principal Amount, Designation and Series.** A Series of Bonds entitled to the benefit, protection and security of the Resolution is hereby authorized to be issued in an aggregate principal amount not to exceed \$77,000,000. Such Series of Bonds shall be designated as and shall be distinguished from the Bonds of all other Series by the title “The Saint Mary’s Hospital for Children Revenue Bonds, Series 2019” and shall be issued pursuant to, and subject to the terms, conditions and limitations established in, the Resolution and this Series 2019 Resolution.

**SECTION 2.02. Purposes.** The Series 2019 Bonds are authorized hereby to be issued for the purpose of (i) refunding all or a portion of the Refinanced Obligations; (ii) paying the Costs of Issuance of the Series 2019 Bonds.

**SECTION 2.03. Delegation of Authority.** There is hereby delegated to any Authorized Officer of the Authority, subject to the limitations contained herein and in the Resolution and the Act, the power with respect to the Series 2019 Bonds to determine and carry out the following:

(a) Subject to the limitation set forth in Section 2.01 of this Series 2019 Resolution, the principal amount of Series 2019 Bonds to be issued;

(b) The dated date or dates, maturity date or dates, and principal amount of each maturity of the Series 2019 Bonds, the amount and date of each Sinking Fund Installment, if any, and which Series 2019 Bonds are Serial Bonds or Term Bonds, if any, and the Record Date or Record Dates of the Series 2019 Bonds for which the Record Date or Record Dates is other than the fifteenth (15th) day of the calendar month next preceding an interest payment date for such Bonds; *provided, however*, that no Series 2019 Bond shall mature later than 22 years from its date of issuance;

(c) Except in the case of Capital Appreciation Bonds and Deferred Income Bonds, the interest rate or rates of the Series 2019 Bonds, including the interest rate or rates of Deferred Income Bonds from and after the Interest Commencement Date, or, with respect to any Series 2019 Bond that is a Variable Interest Rate Bond, the manner of determining the interest rate or rates thereon (including any rate-setting mechanics relating thereto), the date from which interest on the Series 2019 Bonds shall accrue and the first interest payment date therefor; *provided, however*, that the true interest cost (as determined by an Authorized Officer of the Authority, which determination shall be conclusive) of the Series 2019 Bonds that are not Variable Interest Rate Bonds does not exceed 7.5% if issued as Tax-Exempt Bonds and 10.0% if issued as Taxable Bonds, and that the initial rate of interest on any Series 2019 Bond that is a Variable Interest Rate Bond does not exceed 7.5% if issued as Tax-Exempt Bonds and 10.0% if issued as Taxable Bonds;

(d) The sale of the Series 2019 Bonds at private sale as contemplated by Section 3.01 hereof; *provided, however*, that in such private sale the purchase price shall not be less than ninety-five percent (95%) of the principal amount of the Series 2019 Bonds sold;

(e) Whether any Series 2019 Bonds are Capital Appreciation Bonds and the Valuation Dates for such Bonds and the Accreted Value on each such Valuation Date;

(f) Whether any Series 2019 Bonds are Deferred Income Bonds and the Interest Commencement Date for such Bonds, the Valuation Date or Dates prior to the Interest Commencement Date for such Bonds and the Appreciated Value on each such Valuation Date;

(g) Whether any Series 2019 Bonds are Variable Interest Rate Bonds and the Maximum Interest Rate and Minimum Interest Rate, if any;

(h) Whether any Series 2019 Bonds are Option Bonds and the provisions regarding tender for purchase or redemption thereof, payment of the purchase or Redemption Price thereof and the appointment of a Remarketing Agent with respect thereto;

(i) The denomination or denominations of and the manner of numbering and lettering the Series 2019 Bonds; *provided, however*, that; the minimum authorized denomination shall be no less than \$100,000 and integral multiples of \$0.01 in excess thereof;

(j) The Series 2019 Bonds which are Book Entry Bonds, if any, and the Depository therefor;

(k) The Trustee for the Series 2019 Bonds;

(l) The type of Credit Facility, if any, with respect to the Series 2019 Bonds, and the terms of such Credit Facility;

(m) The Paying Agent or Paying Agents and, subject to the provisions of Sections 3.01 of the Resolution, the place or places of payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on the Series 2019 Bonds; *provided, however*, that such Paying Agent or Paying Agents may be appointed by resolution adopted prior to authentication and delivery of the Series 2019 Bonds in accordance with the provisions of Section 8.02 of the Resolution;

(n) The Redemption Price or Redemption Prices, if any, and, subject to Article IV of the Resolution, the redemption terms, if any, for the Series 2019 Bonds; *provided, however*, that the Redemption Price of Series 2019 Bonds subject to redemption at the election or direction of the Authority may be equal to a percentage of the principal amount of the Series 2019 Bonds to be redeemed, plus accrued interest thereon to the date of redemption, and may alternatively be determined by a formula intended to “make whole” the Holders, and *provided further* that, the Redemption Price of any Series 2019 Bonds may be determined by a formula required by the private purchaser;

(o) Provisions for the sale or exchange of the Series 2019 Bonds and for the delivery thereof;

(p) The form of the Series 2019 Bonds and the form of the Trustee’s certificate of authentication thereon;

(q) The provisions regarding redemption of the Series 2019 Bonds and for payment of the Redemption Price thereof;

(r) Provisions with respect to funds and accounts and subaccounts therein, if applicable, and the Revenues and application thereof, as provided in Article V of the Resolution and Article V hereof;

(s) The security to be granted to secure the Institution’s obligations under the Loan Agreement and the existence and scope of the Mortgaged Property and the Pledged Revenues, and whether Parity Indebtedness is permitted;

(t) If the Series 2019 Bonds are to be subject to purchase by the Institution with the consent of the Authority, provisions for the purchase of such Bonds, including the purchase

price to be paid therefor and the timeliness and content of any notice of purchase that shall be required to be given;

- (u) Directions for the application of the proceeds of the Series 2019 Bonds;
- (v) The determination of terms and provisions with respect to any Interest Rate Exchange Agreement delivered in connection with the Series 2019 Bonds;
- (w) The aggregate principal amount of the Series 2019 Bonds to be funded on their date of delivery (such funding amount to be reflected in the form of the Series 2019 Bonds); and
- (x) Any other provisions deemed advisable by an Authorized Officer of the Authority not in conflict with the provisions hereof or of the Resolution.

Such Authorized Officer shall execute a Bond Series Certificate evidencing determinations or other actions taken pursuant to the authority granted herein or in the Resolution, and any such Bond Series Certificate shall be conclusive evidence of the action or determination of such Authorized Officer as to the matters stated therein.

**SECTION 2.04. Restriction on Transfer of Series 2019 Bonds.** Each Person who is or becomes a Beneficial Owner and each transferee of the Series 2019 Bonds is deemed by acquisition of such beneficial ownership to have represented and agreed that such Beneficial Owner or transferee (i) is a QIB, (ii) will not transfer, resell, reoffer, pledge or otherwise transfer the Series 2019 Bonds to a subsequent transferee except to a QIB, (iii) is willing and able to conduct an independent investigation of the risks involved with its ownership of the Series 2019 Bonds and such Person has been provided with such information as it has deemed necessary and desirable relating to the Institution, its operations, governance, and financial condition, and has made such investigations in order to reach an investment decision with respect to its purchase of the Series 2019 Bonds, (iv) agrees to give to each Person to whom it transfers any Series 2019 Bonds notice of the restrictions on transfer set forth in this Section 2.04, and (v) acknowledges that the Authority and others will rely upon the truth and accuracy of the foregoing representations and agreements. A statement to such effect shall be included in every Series 2019 Bond.

Investors who qualify as "Accredited Investors" under Regulation D but who do not also qualify as QIBs are not eligible to purchase Series 2019 Bonds or to become Beneficial Owners of the Series 2019 Bonds.

Failure to so comply with the agreements set forth in this Section 2.04 shall preclude the Trustee from reflecting a transfer of Series 2019 Bonds on the registration books of the Authority maintained by the Trustee, and any transfer of Series 2019 Bonds in violation of the foregoing transfer restrictions shall be null and void *ab initio*.

### **ARTICLE III.**

#### **Approval of Form and Authorization to Execute and Deliver the Documents**

**SECTION 3.01. Approval of Bond Purchase Agreement.** The form of the Bond Purchase Agreement by and among the Authority, the private purchaser and the Institution,

as presented at this meeting, is hereby approved. Any Authorized Officer of the Authority is hereby authorized to execute the Bond Purchase Agreement in the name and on behalf of the Authority substantially in such form, with such changes, insertions and omissions as may be approved by said Authorized Officer, said execution being conclusive evidence of such approval.

**SECTION 3.02. Approval and Execution of Loan Agreement.** The form of the Loan Agreement, by and between the Authority and the Institution, as presented at this meeting, is hereby approved. Any Authorized Officer of the Authority is hereby authorized to execute the Loan Agreement in the name and on behalf of the Authority substantially in such form, with such changes, insertions and omissions as may be approved by said Authorized Officer, said execution being conclusive evidence of such approval.

**SECTION 3.03. Execution and Delivery of Documents.** Any Authorized Officer of the Authority is hereby authorized to execute and deliver, in the name and on behalf of the Authority, any and all documents including, without limitation, any Assignment Agreements, Security Agreements, Account Control Agreements, Intercreditor Agreements or similar agreements, and instruments and to do and cause to be done any and all acts and things, said Authorized Officer deems necessary or advisable in connection with the offering, sale and issuance of the Series 2019 Bonds and to carry out the transactions contemplated by this Series 2019 Resolution.

**SECTION 3.04. Delivery of Resolutions.** Any Authorized Officer is hereby authorized and directed to deliver to the Trustee, as a condition to the authentication and delivery of the Series 2019 Bonds, a certified copy of the Resolution, said delivery being conclusive evidence of the Authority's approval thereof. Any Authorized Officer is hereby further authorized and directed to deliver this Series 2019 Resolution with such changes, insertions and omissions as may be approved by such Authorized Officer, such delivery being conclusive evidence of the Authority's approval thereof.

#### **ARTICLE IV.**

#### **Execution and Authentication of the Series 2019 Bonds**

**SECTION 4.01. Execution and Authentication of Series 2019 Bonds.** Pursuant to the provisions of Section 3.04 of the Resolution, the Chair, Vice Chair or other Authorized Officer of the Authority is hereby authorized and directed to execute by his or her manual or facsimile signature the Series 2019 Bonds in the name of the Authority, and the corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. The Secretary or an Assistant Secretary or other Authorized Officer of the Authority is hereby authorized and directed to attest by his or her manual or facsimile signature the execution of the Series 2019 Bonds.

The Trustee is hereby authorized to authenticate by manual or facsimile signature the Series 2019 Bonds, and deliver the same to or upon the order of the Authority, in such amounts and at such times as the Trustee shall be directed in writing by an Authorized Officer.



**SECTION 4.02. No Recourse on Series 2019 Bonds.** No recourse shall be had for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price of or interest on the Series 2019 Bonds or for any claim based thereon or on this Series 2019 Resolution against any member, officer or employee of the Authority or any person executing the Series 2019 Bonds and neither the members of the Authority nor any other person executing the Series 2019 Bonds of the Authority shall be subject to any personal liability or accountability by reason of the issuance thereof, all such liability being expressly waived and released by every Holder of Series 2019 Bonds by the acceptance thereof.

## **ARTICLE V.**

### **Establishment of Funds; Application of Proceeds**

**SECTION 5.01. Establishment of Funds.** The following funds shall be established, held, maintained and applied by the Trustee in accordance with Article V of the Resolution (and shall be established, held, maintained and applied for the benefit of the Series 2019 Bonds.

- a) Construction Fund;
- b) Debt Service Fund; and
- c) Arbitrage Rebate Fund;

**SECTION 5.02. Application of Proceeds.** On the date of delivery of the Series 2019 Bonds the Trustee shall deposit the proceeds of the sale of the Series 2019 Bonds in accordance with the Bond Series Certificate and written instructions of an Authorized Officer of the Authority.

## **ARTICLE VI.**

### **Special Covenants**

**SECTION 6.01. Tax Covenant.** (a) *General.* In order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Series 2019 Bonds that are issued as Tax-Exempt Bonds (the “Tax-Exempt Series 2019 Bonds”), the Authority shall comply with the provisions of the Code applicable to the Tax-Exempt Series 2019 Bonds necessary to maintain such exclusion, including, without limitation, the provisions of the Code which prescribe yield and other limits within which proceeds of the Tax-Exempt Series 2019 Bonds are to be invested, and which, in certain circumstances, require the rebate of certain earnings on such amounts to the Department of the Treasury of the United States of America in accordance with Section 148(f) of the Code. In furtherance of the foregoing, the Authority shall comply with the Tax Certificate and with such written instructions as may be provided by Bond Counsel or a special tax counsel.

(b) *No Arbitrage Covenant.* The Authority shall not take any action or fail to take any action which would cause the Tax-Exempt Series 2019 Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code; nor shall the Authority use or permit the use,

directly or indirectly, of any part of the proceeds of the Tax-Exempt Series 2019 Bonds to acquire any security or obligation the acquisition of which would cause any Tax-Exempt Series 2019 Bond to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

(c) No Private Use or Private Loans. The Authority shall not use any part of the proceeds of the Tax-Exempt Series 2019 Bonds in a manner which would cause the Series 2019 Bonds (i) to be “private activity bonds” other than “qualified 501(c)3 bonds” (within the meaning of such quoted terms in Section 141(a) and Section 145(a) of the Code) or (ii) not to be “qualified 501(c)3 bonds” within the meaning of Section 145(a) of the Code.

(d) Survival. Notwithstanding any provision of the Resolution to the contrary, the obligations of the Authority to comply with the requirements of this Section shall survive the payment, redemption or defeasance of any and all Tax-Exempt Series 2019 Bonds.

## ARTICLE VII.

### Miscellaneous

**SECTION 7.01. Notices.** All notices, consents and approvals required to be given or authorized to be given pursuant to the Loan Agreement and the Resolution shall be in writing and shall be sent by registered or certified mail to the addresses set forth in Section 47 of the Loan Agreement.

**SECTION 7.02. When Effective.** This Series 2019 Resolution shall become effective immediately upon a copy hereof, certified by an Authorized Officer of the Authority, being filed with the Trustee; *provided, however*, that if, prior to the issuance of the Series 2019 Bonds, the Trustee shall receive from or at the direction of the Authority a security deposit in connection with the sale of the Series 2019 Bonds or any other funds related to the Series 2019 Bonds, then the Trustee’s appointment in connection with the Series 2019 Bonds shall be deemed to have occurred concurrently with such receipt and all provisions of the Resolution and this Series 2019 Resolution relating to the Trustee’s duties, obligations and standard of care shall apply as of such date.

DRAFT