

---

STATE OF CONNECTICUT

—————  
CLEAN WATER FUND REVENUE BOND PROGRAM  
SUBORDINATE GENERAL BOND RESOLUTION  
—————

Adopted: February 23, 1999

---

TABLE OF CONTENTS

ARTICLE I

DEFINITIONS

101. Definitions ..... 1  
102. Interpretation ..... 9

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

201. Authorization for General Resolution ..... 10  
202. Resolution to Constitute Contract..... 10  
203. Authorization of Bonds ..... 10  
204. Authorization for Bonds in Series ..... 10  
205. Issuance and Delivery of Bonds ..... 12  
206. Conditions Precedent to Authentication and Delivery of Bonds..... 12  
207. Provisions for Refunding Bonds..... 13  
208. Notes ..... 14  
209. Issuance of Additional Bonds Other than Refunding Bonds..... 14  
210. Facility ..... 15

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS 17

301. Medium of Payment; Form and Date ..... 17  
302. Legends..... 17  
303. Execution and Authentication ..... 18  
304. Interchangeability of Bonds..... 18  
305. Negotiability, Transfer and Registry ..... 18  
306. Regulations with Respect to Exchanges and Transfers ..... 19  
307. Bonds, Mutilated, Destroyed, Stolen or Lost ..... 19  
308. Preparation of Definitive Bonds; Temporary Bonds..... 19  
309. Depository Institution ..... 20

ARTICLE IV

APPLICATION OF BOND PROCEEDS

401. Application of Bond Proceeds..... 21

ARTICLE V

ESTABLISHMENT OF FUNDS AND ACCOUNTS,  
AND APPLICATION THEREOF

501. Pledge .....	22
502. Establishment of Funds and Accounts.....	22
503. Revenue Fund.....	23
504. [RESERVED].....	24
505. Debt Service Fund .....	24
506. Service Reserve Fund .....	27
507. Interest Subsidy Fund.....	27
508. Administrative Fund.....	28
509. Rebate Fund.....	28
510. Disposition of Bonds Upon Payment .....	29
511. Calculation of Obligations.....	29
512. Trustee’s Maintenance of Records on Payment of Bonds.....	29

ARTICLE VI

REDEMPTION OF BONDS

601. Privilege of Redemption and Redemption Price .....	30
602. Redemption at the Election or Direction of the State.....	30
603. Redemption Other Than at State’s Election or Direction.....	30
604. Selection of Bonds to Be Redeemed .....	30
605. Notice of Redemption.....	30
606. Payment of Redeemed Bonds.....	31

ARTICLE VII

SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

701. Security for Deposits .....	32
702. Investment of Funds and Accounts Held by the Trustee.....	32
703. Liability of Trustee for Investments .....	33
704. Reports.....	33

ARTICLE VIII

THE TRUSTEE AND THE PAYING AGENTS

801. Appointment and Acceptance of Duties of Trustee.....	34
802. Appointment and Acceptance of Duties of Payme Agent.....	34
803. Responsibilities of Trustee and Paying Agents .....	34
804. Evidence on Which Trustee and Paying Agents May Act .....	35
805. Compensation .....	35
806. Permitted Acts and Functions.....	35
807. Resignation of Trustee.....	36

808.	Removal of Trustee .....	36
809.	Appointment of Successor Trustee.....	36
810.	Transfer of Rights and Property to Successor Trustee .....	37
811.	Transfer of Rights and Property to Successor Trustee .....	37
812.	Merger, Conversion or Consolidation .....	37
813.	Resignation or Removal of the Paying Agents and Appointment of Successors.....	38

ARTICLE IX

COVENANTS OF THE STATE

901.	Payment of Bonds.....	39
902.	Further Assurances .....	39
903.	Power to Issue Bonds and Make Pledge.....	39
904.	General.....	39
905.	Accounts and Reports .....	39
906.	Personnel and Servicing of the Program .....	40
907.	[RESERVED].....	40
908.	[RESERVED].....	40
909.	Modification of Senior Bonds Loan Agreement Terms .....	40
910.	Payments form the Senior Bond Resolution; Covenants Regarding the Senior Bond Resolution.....	40
911.	Enforcement of Senior Bonds Municipal Obligation .....	42
912.	[RESERVED].....	42
913.	Federal Tax Covenant.....	42
914.	State Tax Covenant.....	43
915.	Agreement of the State .....	43
916.	Clean Water Fund Revenue Bond Program .....	43
917.	Additional Obligations .....	43

ARTICLE X

SERIES RESOLUTIONS AND SUPPLEMENTAL RESOLUTIONS

1001.	Modification and Amendment Without Consent.....	44
1002.	Supplemental Resolutions Effective With Consent of Bondholders.....	45
1003.	General.....	45

ARTICLE XI

AMENDMENTS

1101.	Powers of Amendment .....	46
1102.	Consent of Bondholders .....	46
1103.	Modifications by Unanimous Consent .....	48
1104.	Mailing and Publication.....	48
1105.	Exclusion of Bonds.....	48

1106.	Notation on Bonds .....	48
ARTICLE XII DEFAULTS AND REMEDIES		48
1201.	Events of Default .....	48
1202.	Remedies .....	49
1203.	Priority of Payments After Default.....	50
1204.	Termination of Proceedings .....	51
1205.	Bondholders' Direction of Proceeding .....	51
1206.	Limitation on Rights of Bondholders .....	51
1207.	Possession of Bonds by Trustee Not Required.....	52
1208.	Remedies Not Exclusive.....	52
1209.	No Waiver of Default .....	52
1210.	Notice of Event of Default.....	52
1211.	Credit Facility Provider Direction of Proceedings .....	53

### ARTICLE XIII

#### EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOFS OF OWNERSHIP OF BONDS

1301.	Evidence of Signatures of Bondholders and Ownership of Bonds .....	54
-------	--	----

### ARTICLE XIV

#### DEFEASANCE

1401.	Defeasance.....	54
-------	-----------------	----

### ARTICLE XV

#### MISCELLANEOUS

1501.	Preservation and Inspection.....	56
1502.	Parties of Interest .....	56
1503.	No Recourse Under Resolution or on Bonds.....	56
1504.	Severability .....	56
1505.	Heading.....	56
1506.	Conflict .....	56
1507.	Effective Date .....	56

CLEAN WATER FUND  
REVENUE BOND PROGRAM  
SUBORDINATE GENERAL BOND RESOLUTION

Be It Resolved by the members of the State Bond Commission of the State of Connecticut as follows:

ARTICLE I

DEFINITIONS

101. DefinitionsThe following terms shall, for all purposes of this Resolution, have “Accountant’s Certificate” shall mean a certificate signed by a certified public accountant of a firm of independent certified public accountants of recognized standing selected by the State.

“Act” shall mean the Clean Water Fund Act being Sections 22a-475 to 22a-483, inclusive, of the General Statutes of the State, as amended from time to time.

“Administrative Fund” shall mean the Subordinate Administrative Fund established by Section 502 hereof.

“Administrative Expenses” shall mean the State’s expenses of carrying out and administering its powers, duties and functions that are allocable to any program financed under this Resolution. as authorized by the Act, and shall include, without limiting the generality of the foregoing: administrative and operating expenses (which may include payments to DEP for similar expenses); fees, charges and other amounts payable to the State; legal, accounting and consultant’s services and expenses; and any other expenses required or permitted to be paid by the State under the provisions of the Act or this Resolution or otherwise that are allocable to any program financed under this Resolution.

“Aggregate Debt Service” for any period shall mean, with respect to Bonds, as of any date of calculation and with respect to all such Bonds, the sum of the amounts of Debt Service for such period.

“Authorized Newspapers” shall mean not less than two newspapers, customarily published at least once la day for at least five (5) days (other than legal holidays) in each calendar week, printed in the[English language, one of which is of general circulation, in Hartford, Connecticut and the other of which is a financial newspaper circulated in the Borough of Manhattan, City and State of New York

“Authorized Officer” shall mean the Treasurer of the State, any Deputy Treasurer of the State and any other person designated to the Trustee by such persons as an Authorized Officer.

“Bond” or “Bonds” shall mean any Bond or Bonds, as the case may be, authenticated and delivered under this Resolution pursuant to a Series Resolution.

“Bondholders” or “Holder of Bonds” or “Holder” (when used with reference to Bonds) or any term of similar import, shall mean the person or party in whose name the Bond is registered.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Counsel’s Opinion” shall mean an opinion signed by an attorney or firm of attorneys selected by or satisfactory to the State (who may be counsel to the State); provided, however, that for the purposes of Article II of this Resolution such term shall mean an opinion signed by an attorney or firm of attorneys of recognized standing in the field of law relating to municipal bonds selected by the State.

“Credit Facility” shall mean a letter of credit, revolving credit agreement, standby purchase agreement, surety bond, insurance policy or similar obligation, arrangement or instrument issued by a bank, insurance company or other financial institution which provides for payment of all or a portion of the municipal of, Redemption Price of, interest on any Series of Bonds or which provides funds for the purchase of such Bonds or portions thereof.

“Debt Service” for any period shall mean, as of any date of calculation and with respect to any Series, an amount equal to the sum of (i) interest payable during such period on Bonds of such Series, and (ii) that portion of the Principal Installments for such Series which are payable during such period minus the sum of (x) the allocable portion of any balance on deposit in the Debt Service Fund as of such date of calculation and (y) any amounts which have been irrevocably set aside by the State as of such date of calculation for the payment of interest and Principal Installments for such Series of Bonds during such period in a separate dedicated fund or account held by a Fiduciary, together with projected earnings thereon to the extent such amounts have been invested as of the date of calculation in Investment Obligations (limited to bonds or obligations of, or obligations guaranteed by, the State or the United States of America or instrumentalities of the United States Such interest and Principal Installments for such Series shall be calculated on the assumption that no Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof. Any balance n the Debt Service Fund as of such date of calculation shall be allocated to the period or periods m which such balance will be applied. With respect to any Series of Bonds bearing a variable rate }f interest, interest to become clue any year shall be estimated by the State on the date of issuance o[ such Series of Bonds based on a Pro Forma Bond Issue of such Series of Bonds set forth in the Series Resolution authorizing such Bonds.

“Debt Service Fund” shall mean the Subordinate Debt Service Fund established by Section 502 hereof.

“Debt Service Reserve Fund” shall mean, as applicable, any one or more Subordinate Debt Service Reserve Funds, or accounts thereunder, hereinafter established in accordance with Section 506 hereof.

“Debt Service Reserve Fund Earnings” shall mean for any period (a “Period”), as of any on, the amount of earnings (excluding amounts which are to be rebated to the Treasury) which an Authorized Officer estimates will be paid during such period on moneys which are held as of such date in each Debt Service Reserve Fund (and earnings thereon), including amounts available as of such date under a Federal Letter of Credit which are expected to be drawn as cash and invested prior to the end of such Period. With respect to permitted investments held as of the

date of calculation (including investment agreements which allow for investment of funds in the future), the rate applicable to interest to be paid on such permitted investments during the Period shall be used, or otherwise a rate equal to 4% or such higher rate as shall be determined by the State shall be used, provided that no such higher rate shall be used if the use of such higher rate would result in a decrease in the rating on the Bonds. In determining Debt Service Reserve Fund Earnings, permitted releases of moneys from any Debt Fund shall be assumed to have occurred and discounts with respect to investments shall be recognized at maturity.

“Debt Service Reserve Fund Requirement” shall mean, with respect to any Debt Service Reserve Fund, the amount required to be on deposit therein as determined by the State in the Supplemental Resolution or Series Resolution establishing the same.

In lieu of cash or securities, the State may satisfy the Debt Service Reserve Fund Requirement in part or in whole by maintaining (i) insurance from insurers with a credit rating within the two highest rating categories from Moody’s Investors Service, Inc. and Standard & Poor’s; (ii) letters of credit from a banking institution having a credit rating on its long-term unsecured den within the two highest rating categories from Moody’s Investors Service, Inc. and Standard & Poor’s; or (iii) a Federal Letter of Credit, in each case except in the case of the Federal Letter of Credit, making funds available to the Trustee for the same purpose, for the same period of time, and subject to the same conditions as such cash or securities would be available.

“DEP” shall mean the State of Connecticut Department of Environmental Protection.

“Depository Institution” shall mean The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York or any other depository institution appointed by the State to act as depository for the Bonds in connection with a book-entry-only system of distributing Bonds.

“Earnings” shall mean all income or gain on moneys deposited in any of the Funds established by Section 502 or in accordance with Sections 506 or 507 hereof, except for the Rebate Fund, including the amortization of premiums on each Interest Payment Date and the recognition of discounts at maturity.

“Earnings Account” shall mean any Earnings Account established by the State in accordance with Section 502 hereof.

“Federal Letter of Credit” shall mean the federal transfer payment system, or any successor pursuant to which the United States Environmental Protection Agency makes State of capitalization grants under Title VI of the Federal Water Pollution Control Act, as such may be amended from time to time.

“Fiduciary” or “Fiduciaries” shall mean the Trustee, any Paying Agent, or any or all of them, as may be appropriate.

“Fiscal Year” shall mean any twelve (12) consecutive calendar months commencing with the first day of July and ending on the last day of the following June.



“Information Services” shall mean each nationally recognized municipal securities depository designated from time to time by the Securities and Exchange Commission.

“Interest Payment Date” shall mean the dates on which interest on the Bonds is payable as set forth in each Series Resolution with respect to each Series of Bonds.

“Interest Account” shall mean the Interest Account established by Section 502 hereof.

“Interest Subsidy Fund” shall mean, as applicable, any one or more Subordinate Interest Subsidy Funds, or accounts thereunder, hereinafter established in accordance with Section 507 hereof.

“Interest Subsidy Fund Deficiency” shall mean as of any date of calculation, the amount, if any, required or deposit in the Interest Subsidy Fund, if any, such that there will be on deposit in the Senior Bonds Interest Subsidy Fund and the Interest Subsidy Fund permitted investments bearing interest at such rate or rates and having such principal maturities that for each Payment Period for the Outstanding Bonds, the amount of principal and interest payable on such investments equals or exceeds the Interest Subsidy Fund Requirement calculated on such date.

“Interest Subsidy Fund Requirement” shall mean for any period (a “Period”) as of any date of calculation, the amount, if any, by which the sum of (i) the Senior Bonds Aggregate Debt Service payable during the Period and (ii) the Aggregate Debt Service payable during the Period exceeds the sum of (a) the Senior Bonds Debt Service Reserve Fund Earnings payable during the Period, (b) the Debt Service Reserve Fund Earnings payable during the Period, (c) Senior Bonds Municipal Obligations Payments scheduled to be received during the Period, including payments with respect to Senior Bonds Loans anticipated to be made from amounts on deposit in the Senior Bonds Loan Fund on such date (and including Senior Bonds Earnings thereon), (d) any moneys on deposit in the Senior Bonds Revenue Fund at the beginning of the Period, (e) any moneys on deposit in the Revenue Fund at the beginning of the Period, (f) any earnings on the Senior Bonds Loan Fund expected to be transferred to the Senior Bonds Revenue Fund during the Period and (g) earnings, if any, anticipated to be received during the Period on the amounts described in (a) through (f) above (the “Available Amount”).

With respect to investments held as of the date of calculation (including investment h allow for investment of funds in the future), the rate applicable to interest to be period shall be used, or otherwise a rate equal to 4% or such higher rate as shall be le State shall be used, provided that no such higher rate shall be used if the use of would result in a decrease in the rating on the Bonds. The Interest Subsidy Fund i Available Amount for each Period shall be determined by a certificate of an Authorized Officer.

“Investment Obligations” shall mean:

- (i) bonds or obligations off or guaranteed by, the State or the United States, or instrumentalities of the United States;
- (ii) certificates of deposit, commercial paper, savings accounts and bank acceptances of institutions which are rated in one of the two highest rating categories (without regard to gradations) by Standard & Poor’s and Moody’s Investors Service;

- (iii) the obligations of any state of the United States or any political subdivision, authority or agency thereof, provided that at the time of investment, such obligations are rated in one of the two highest rating categories (without regard to gradations) by Standard & Poor's and Moody's Investors Service;
- (iv) the obligations of any regional school district in the State, of any municipality in the State or any metropolitan district in the State, provided that at the time of investment such obligations of such government entity are rated in one of the two highest rating categories (without regard to gradations) by Standard & Poor's and Moody's Investors Service, or obligations held in any fund in which a trustee may invest pursuant to Section 36-9w of the Connecticut General Statutes provided, however, that such obligations are rated in one of the two highest rating categories (without regard to gradations) by Standard & Poor's and Moody's Investors Service;
- (v) investment agreements with, or guaranteed by, institutions which are rated in one of the two highest rating categories (without regard to gradations) by Standard & Poor's and Moody's Investors Service; or
- (vi) such other investments permissible pursuant to Section 3-20 of the General Statutes of the State as such Section may be amended from time to time, provided that such investments are rated in one of the two highest rating categories (without regard to gradations) by Standard & Poor's and Moody's Investors Service.

“Moody’s Investors Service” shall mean Moody’s Investors Service and includes any successor thereto or, if Moody’s Investors Service shall no longer be maintaining a rating on the Bonds, then another nationally recognized rating agency designated by the State Bond Commission of the State.

“Municipality” shall mean any metropolitan district, town, consolidated town and city, consolidated town and borough, city, borough, village, fire and sewer district, sewer district or public authority and each municipal organization having authority to levy and collect taxes or make charges for its authorized function.

“Notes” shall mean any bond anticipation notes issued by the State pursuant to the Act and in accordance with Section 208 hereof for purposes of the Clean Water Fund Revenue Bond Program.

“Outstanding,” when used with reference to (A) Bonds, other than Bonds referred to in Section 1105 hereof, shall mean, as of any date, Bonds theretofore or then being delivered under the provisions of this Resolution, except: (i) any Bonds cancelled by the Trustee or any Paying Agent at or prior to such date, (ii) any Bonds for the payment or redemption of which moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held by the Trustee or the Paying Agents in trust (whether at or prior to the maturity or redemption date), provided that if such Bonds are to be redeemed, irrevocable notice of such redemption shall have been given as in Article IV provided

or provision satisfactory to the Trustee shall have been made for the giving of such notice, (iii) any Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Article III or Section 1106 hereof, and (iv) Bonds deemed to have been paid as provided in subsection B of Section 1401 thereof and (B) Senior Bonds, shall have the meaning ascribed to such term in the Senior Bond Resolution.

“Paying Agent” for the Bonds of any Series shall mean the bank or trust company and its successor or successors, appointed pursuant to the provisions of this Resolution and a Series Resolution or any other resolution of the State adopted prior to authentication and delivery of the Series of Bonds for which such Paying Agent or Paying Agents shall be so appointed.

“Payment Period” shall mean a period from, but not including, the date of calculation or any payment date of principal or interest on Outstanding Bonds up to, and including, the next succeeding payment date of principal or interest on Outstanding Bonds.

“Pledged Receipts” shall mean the amounts paid to the Trustee in accordance with Section 910 hereof.

“Principal Account” shall mean the Principal Account established by Section 502 hereof.

“Principal Installment” shall mean, as of any date of calculation and with respect to any Bonds Outstanding, (i) the principal amount of Bonds of such Series (including any rated m, or determined pursuant to, the applicable Series Resolution, as the “principal respect to any Bonds which do not pay full current interest for all or any part of their any payment date for which no Sinking Fund Installments have been established, or (ii) Fund Installment due on a date for Bonds of such Series, or (iii) if such dates sum of such principal amount of Bonds and of such Sinking Fund Installment(s) due on such date; in each case in the amounts and on the dates as provided in the Series Resolution authorizing such Series of Bonds; provided, however, that Principal Installments shall not include the principal of Notes.

“Pro Forma Bond Issue” shall mean, when used with reference to the computation of Debt Series of Bonds bearing interest at a variable rate, the hypothetical fixed rate long set forth in the Series Resolution authorizing such Series of Bonds, having (i) the (and sinking fund provisions, if any) as the Series of Bonds bearing interest at a which it relates and (ii) such interest rate or rates as the State shall reasonably deem dent of the rates which would have been borne by such Series of Bonds bearing interest at a variable rate if such Series of Bonds had been issued as a Series of Bonds bearing interest at a fixed rate.

“Program” shall mean the Clean Water Fund Revenue Bond Program.

“Rebate Fund” shall mean the Subordinate Rebate Fund established by Section 502 hereof.

“Record Date” shall mean, unless otherwise determined by a Series Resolution for a Series lose of business on the fifteenth day preceding a payment date or, if such day shall ss Day, the immediately preceding Business Day.

“Redemption Account” shall mean the Redemption Account established by Section 502 hereof.

“Redemption Price” shall mean, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to this Resolution and the Series Resolution pursuant to which the same was issued.

“Refunding Bonds” shall mean all Bonds constituting the whole or a part of a Series of Bonds delivery on original issuance pursuant to Section 207 hereof.

“Reimbursement Obligation” shall mean the obligation of the State described in Section 210(b) hereof to directly reimburse the issuer of a Credit Facility for amounts paid by such issuer thereunder, whether or not such obligation to so reimburse is evidenced by a promissory note or other similar installment.

“Resolution” shall mean this Clean Water Fund Revenue Bond Program Subordinate General Bond Resolution as from time to time amended or supplemented by Supplemental Resolutions or Series Resolutions in accordance with the terms and provisions hereof.

“Revenue Fund” shall mean the Subordinate Revenue Fund established pursuant to Section 502 hereof.

“Senior Bond Resolution” shall mean the Clean Water Fund Revenue Bond Program General Bond Resolution adopted by the State Bond Commission of the State on December 7, 1990, as the same may be amended from time to time, pursuant to which the Senior Bonds are authorized and issued.

“Series Bonds” shall mean the bonds authenticated and delivered pursuant to the Senior Bond Resolution.

“Senior Bonds Aggregate Debt Service” shall mean the term “Aggregate Debt Service” as defined in Section 101 of the Senior Bond Resolution.

“Senior Bonds Debt Service Reserve Fund” shall mean the term “Debt Service Reserve Fund” as defined in Section 101 of the Senior Bond Resolution.

“Senior Bonds Debt Service Reserve Fund Earnings” shall mean the term “Debt Service Reserve Fund Earnings” as defined in Section 101 of the Senior Bond Resolution.

“Senior Bonds Earnings” shall mean the term “Earnings” as defined in Section 101 of the Senior Bond Resolution.

“Senior Bonds Fees and Charges” shall mean the term “Fees and Charges” as defined in Section 101 of the Senior Bond Resolution.

“Senior Bonds Interest Subsidy Fund” shall mean the term “Interest Subsidy Fund” as defined in Section 101 of the Senior Bond Resolution.

“Senior Bonds Loan” shall mean the term “Loan” as defined in Section 101 of the Senior Bond Resolution.

“Senior Bonds Loan Agreement” shall mean the term “Loan Agreement” as defined in Section 101 of the Senior Bond Resolution.

“Senior Bonds Loan Fund” shall mean the term “Loan Fund” as defined in Section 101 of the Senior Bond Resolution.

“Senior Bonds Municipal Obligations” shall mean the term “Municipal Obligations” as defined in Section 101 of the Senior Bond Resolution.

“Senior Bonds Municipal Obligations Payment” shall mean the term “Municipal Payment” as defined in Section 101 of the Senior Bond Resolution.

“Senior Bonds Revenue Fund” shall mean the term “Revenue Fund” as defined in Section 101 of the Senior Bond Resolution.

“Senior Bonds Trustee” shall mean the term “Trustee” as defined in Section 101 of the Resolution.

“Senior Notes” shall mean the term “Notes” as defined in Section 101 of the Senior Bond Resolution.

“Series of Bonds” or “Bonds of a Series” or words of similar meaning shall mean the Series of Bonds authorized by a Series Resolution.

“Series of Outstanding Senior Bonds” or words of similar meaning shall mean the term “Series of Bonds” as defined in Section 101 of the Senior Bond Resolution.

“Series Resolution” shall mean a resolution of the State authorizing the issuance of a Series of Bonds in accordance with the terms and provisions hereof adopted by the State in accordance with Article X.

“Sinking Fund Installment” shall mean, as of any particular date of calculation, (i) the amount required by this Resolution and a Series Resolution to be deposited by the State for the retirement of Bonds which are stated to mature subsequent to such date or (ii) the amount required by this Resolution and a Series Resolution to be deposited by the State on a date for the payment of Bonds at maturity on a subsequent date.

“Standard & Poor’s” shall mean Standard & Poor’s Ratings Services, and includes any successor thereto or, if Standard & Poor’s shall no longer be maintaining a rating on the Bonds, then another nationally recognized rating agency designated by the State Bond Commission of the State.

“State” shall mean the State of Connecticut.

“State Revolving Fund” shall mean the State water pollution control revolving loan fund the Act in accordance with Title VI of the Federal Water Pollution Control Act, as amended from time to time.

“Supplemental Resolution” shall mean a resolution supplemental to or amendatory of this Resolution, adopted by the State in accordance with Article X.

“Tax Compliance Certificate” shall mean, with respect to any Series of Bonds, that certificate of the State relating to maintenance of the excludability of interest on such Bonds from gross income for federal income tax purposes, delivered in connection with the issuance of such Series of Bonds.

“Trustee” shall mean the bank or trust company appointed pursuant to Section 801 hereof to act as trustee hereunder, and its successor or successors and any other bank or trust company at any time substituted in its place pursuant to this Resolution.

102. Interpretation. (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.

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

(C) Words importing persons include firms, associations, partnerships (including limited partnerships, trusts, corporations and other legal entities, including public bodies and political subdivisions, as well as natural persons.

(D) All approvals, consents and acceptances required to be given or made by any person or party hereunder shall be at the sole discretion of the party whose approval, consent or acceptance is required.

(E) All section references to the Act shall refer to those sections as designated as of the date of adoption of this Resolution, and any successor section.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

201. Authorization for General Resolution. The Clean Water Fund Revenue Bond Program Subordinate General Bond Resolution is adopted pursuant to the Act.

202. Resolution to Constitute Contract. In consideration of the purchase and acceptance those who shall hold the same from time to time, the provisions of the Resolution of the contract of the State with the Holders of Bonds and shall be deemed to be and a contract among the State, the Trustee and the Holders from time to time of the provisions are covenants and agreements with such Holders which the State hereby be necessary and desirable for the security and payment thereof. The provisions, Agreements herein set forth to be performed on behalf of the State shall be for the protection and security of the Holders of any and all of the Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in the Resolution.

203. Authorization of Bonds. There is hereby established and created an authorization to the State to be known and designated as “State of Connecticut Clean Water Fund Revenue Bonds”, which Bonds may be issued as hereinafter provided without amount except as provided in this Resolution or as may be limited by law. There is by this Resolution, in the manner and to the extent provided herein, a continuing to secure the full and final payment of the principal or Redemption Price of, interest bearing Fund Installment for, all of the Bonds issued pursuant to this Resolution. The Bonds shall be special obligations of the State payable from the Pledged Receipts and other revenues, receipts, funds and moneys pledged therefor and shall not be payable from nor charged other than revenues, receipts, funds and moneys pledged therefor as provided in the Act, the Resolution or any Series Resolution including the Pledged Receipts. The issuance of Bonds shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment The Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the State or of any political subdivision thereof, except the property mortgaged or otherwise encumbered under the provisions of the Act and the Resolution. The Bonds shall contain on the face thereof a statement to the effect that the Bonds are special obligations of the State and the State is obligated to pay the principal or Redemption Price, if any, of the Bonds and the interest thereon only from revenues or funds pledged therefor and that the State is not obligated to pay such principal or Redemption Price, if any, or interest thereon from any other funds of the neither the faith and credit nor the taxing power of the State or any municipality thereof is pledged to the payment of the principal or Redemption Price, if any, of, or the interest on, the Bonds.

204. Authorization for Bonds in Series. (A) The issuance of the Bonds shall be a Series Resolution or Series Resolutions of the State adopted concurrently herewith or subsequent hereto and the Bonds may be issued in one or more Series. The Bonds of each Series, including Refunding Bonds, shall, in addition to the title “State of Connecticut Clean Water Fund Subordinate Revenue Bonds,” contain such further appropriate particular designations added to such appropriate Series designation as the State may determine in such Series Resolution.

(B) Each Series Resolution authorizing the issuance of a Series of Bonds shall include a determination by the State to the effect that the principal amount of said Series of Bonds is necessary to provided sufficient funds to be used and expended for the Clean Water Fund Revenue Bond Program and shall also specify and determine:

- (1) The authorized principal amount of said Series of Bonds;
- (2) The purposes for which such Series of Bonds are being issued, which shall be to provide for one or more of the following:
  - (i) making payments into any of the funds and accounts created under the Resolution or under any Supplemental Resolution or Series Resolution, including any Debt Service Reserve Fund or Interest Subsidy Fund hereinafter created, (ii) the payment of Notes authorized to be issued pursuant to Section 208 hereof and to be paid with proceeds of such Bonds, (iii) for the redemption of Bonds and related purposes as provided in and under the conditions and subject to the provisions and limitations of Section 606 hereof and (iv) the refunding of Senior Bonds or Bonds and related purposes as provided in Section 207 hereof;
- (3) The date or dates of issue, maturity date or dates and amounts of each Bonds of said Series;
- (4) The title and designation off and manner of numbering and lettering, such Bonds;
- (5) The interest rate or rates of interest borne by, or the manner of determining such rate or rates of the Bonds of said Series, and the Interest Payment Dates of such Bonds;
- (6) The denomination or denominations of and the manner of numbering and lettering the Bonds of such Series, provided that each Bond shall be in the denomination of \$5,00C or an integral multiple thereof, or any other denomination as may be specified in the applicable Series Resolution, not exceeding the aggregate principal amount of the Bonds of such Series maturing in the year of maturity of the Bond for which the denomination is to be specified;
- (7) The Paying Agent or Paying Agents and, subject to the provisions of Section 802 hereof, the place or places of payment of the principal or Redemption Price, if any, of and the place and manner of payment of interest on the Bonds of such Series; provided, however, that such Paying Agent or Paying Agents may be appointed by resolution of the State adopted prior to authentication and delivery of such Series of Bonds in accordance with the provision of Section 802 hereof;
- (8) The Redemption Price or Redemption Prices and Redemption Date or Redemption Dates, if any, and, subject to Article VI, other redemption terms, if any, for the Bonds for any such Bonds;



(9) The amount and due date of each Sinking Fund Installment, if any, for Bonds of such Series;

(10) The form or forms of the Bonds of such Series and of the Trustee's certificate of authentication;

(11) The manner of execution of the Bonds of such Series;

(12) The manner in which Bonds of such Series are to be sold and provisions for sale thereof;

(13) Any credit enhancement or liquidity facility or facilities which may be pledged solely to such Series of Bonds under such Series Resolution;

(14) The manner of registration applicable to such Series of Bonds, which may be book-carry-only with a Depository Institution as set forth in Section 309 hereof, fully certificated Bonds, or any combination of the foregoing; and

(15) Any other provisions deemed advisable by the State, not in conflict with the provisions of this Resolution.

All Bonds of each Series of like maturity shall be identical in all respects, except as to date, denominations, numbers and letters.

205. Issuance and Delivery of Bonds. After their authorization by a Series Resolution, they may be executed by or on behalf of the State and delivered to the Trustee for and upon compliance by the State with the requirements, if any, set forth in such resolution and with the requirements of Section 206 hereof, the Trustee shall thereupon deliver such Bonds to or upon the order of the State.

206. Conditions Precedent to Authentication and Delivery of Bonds Except as provided in Sections 306, 307 and 308 hereof, the Trustee shall authenticate and deliver to or upon the order of the State, any Bonds authorized pursuant to this Resolution and a Series Resolution upon the receipt by the Trustee of:

(1) A Counsel's Opinion dated as of the date of such delivery to the Trustee to the effect that (a) the Senior Bond Resolution, the Resolution and the Series Resolution have been duly and lawfully adopted by the State, are in full force and effect and are valid and binding upon the State and enforceable in accordance with their respective terms, and no other authorization for the Resolution or the Series Resolution is required; (b) the Resolution has validly pledged which it purports to create of the Pledged Receipts, moneys, and funds held or set aside or to be held or set aside under the Resolution, subject application thereof to the purposes and on the conditions permitted by the Resolution; the Bonds of such Series are valid, binding and special obligations of the State as in the Resolution, payable and enforceable in accordance with the terms and the Resolution and entitled to the benefits of the Resolution and of the Act, and such Bonds have been duly and validly authorized and issued in accordance with law, including the

Act as amended to the date of such Counsel's Opinion, and in accordance with the Resolution;

(2) A written order as to the delivery of such Bonds, signed by an Authorized Officer;

(3) A copy of the Resolution and the Series Resolution authorizing such Bonds, by an Authorized Officer;

(4) Except in the case of Refunding Bonds issued to refund Outstanding Bonds, a certificate of an Authorized Officer stating that the State is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Resolution; and

(5) Except in the case of Refunding Bonds with respect to which this certificate is not required to be delivered in accordance with Section 20703)(1) hereof, a certificate of an Authorized Officer stating that upon the delivery date of such Bonds, there shall be on deposit in the Senior Bonds Interest Subsidy Fund and, to the extent hereinafter established, in the Interest Subsidy Fund, permitted investments bearing interest at such rate or rates and having such principal maturities that for each Payment Period for the Outstanding Bonds (including the Bonds then being issued), the amount of principal and interest payable on such Investments equals or exceeds the Interest Subsidy Fund Requirement calculated on such date of delivery.

(6) Such further documents, moneys and securities as are required by the provisions of this Section 206, Section 207, Article X and any Series Resolution or Supplemental Resolution adopted pursuant to Article X.

207. Provisions for Refunding Bonds(A) All or any part of one or more Series of ads may be authenticated and delivered upon original issuance to refund all or any part of one or more Series of Outstanding Senior Bonds or Bonds. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Act, this Section and of the Series Resolution authorizing said Series of Refunding Bonds.

(B) A Series of Refunding Bonds to refund all or any part of one or more Series of Outstanding Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by it of the documents required by Section 206) of:

(1) With respect to any Bonds, (a) a certificate of an Authorized Officer setting Aggregate Debt Service for the then current and each future calendar year (i) with all Series of such Bonds Outstanding immediately prior to such authentication and delivery and (ii) with respect to all Series of such Bonds to be Outstanding immediately thereafter (excluding any Series of such Bonds issued simultaneously with the issuance of Refunding Bonds), and that the Aggregate Debt Service for each such year set forth to (a) (ii) of this paragraph (1) is no greater than the Aggregate Debt Service for responding year set forth pursuant to (a)(i) of this paragraph (1); or (b) a certificate of an Authorized Officer as described in Section 206(5) hereof;

(2) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds which are to be redeemed prior to maturity on the redemption date specified in such instructions;

(3) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of provided for in Section 1401 hereof to the Holders of the Bonds being refunded;

(4) Either (a) obligations set forth in clause (2) of subsection B of Section 1401 hereof in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications or (b) any moneys, as shall be necessary to comply with the provisions of subsection B of Section 1401 hereof; and

(5) A certificate of an Authorized Officer containing such additional statements as maybe reasonably necessary to show compliance with the requirements of subsection A and this subsection B of this Section 207 hereof.

(C) A Series of Refunding Bonds to refund all or any part of one or more Series of Outstanding Senior Bonds may be authenticated and delivered only upon receipt by the Trustee of the documents required by Section 206, including clause (5) thereof, and a certificate of an Authorized Officer evidencing compliance with the requirements of Article XIV of the Senior Bond Resolution.

(D) All moneys and obligations held by a Fiduciary pursuant to paragraph (4) of subsection B of Section 207 hereof shall be held in a separate account irrevocably in trust for and assigned to the respective holders of the Bonds to be refunded to be used only as provided in Section 1401 hereof.

208. NotesWhenever the State shall authorize the issuance of a Series of Bonds, the State be hereby authorized to issue Notes (and renewals thereof) in anticipation of such Series. The principal of and interest on such Notes and renewals thereof shall be payable solely from the proceeds of such Notes or renewals thereof or from the proceeds of the sale of the Series of Bonds in anticipation of which such Notes are issued. The proceeds of such Bonds may be pledged for payment of the principal of and interest on such Notes and any such pledge shall have a any other pledge of such proceeds created by this Resolution. Notes shall not be secured by fund or account established under this Resolution. A copy of the Series Resolution of the State authorizing such Series of Bonds, certified by an Authorized Officer, shall be delivered to the Trustee following its adoption, together with such other information concerning such Notes as the Trustee may reasonably request.

209. Issuance of Additional Bonds Other than Refunding Bonds(A) The State shall not, e issuance of the initial Series of Bonds under this Resolution, create or permit the creation of or issue any obligations or create any additional indebtedness, other than Refunding ill be secured by a charge and lien on the Pledged Receipts, or will be payable from :counts pledged therefor hereunder, except that additional Series of Bonds may be e to time pursuant to a Series Resolution subsequent to the issuance of such initial Series of Bond., under this Resolution on a parity with such Bonds of such initial Series of Bonds and secured by an equal charge and lien

on the Pledged Receipts and payable from the funds and accounts pledged therefor hereunder for the purposes provided in paragraph (2) of subsection B of Section 204.

(B) No additional Series of Bonds shall be issued subsequent to the issuance of the Bonds under this Resolution unless:

(1) the principal amount of the additional Bonds then to be issued, together with the principal amount of the Bonds and Senior Bonds of the State theretofore issued, will not exceed in aggregate principal amount any limitation thereon imposed by law; and

(2) an Authorized Officer delivers to the Trustee the certificate described in Section 206(5) hereof.

(C) The State expressly reserves the right to adopt one or more other general bond resolutions and reserves the right to issue Notes and any other obligations so long as the same are not a charge or lien on the Pledged Receipts or payable from the Debt Service Fund or any Debt Service Reserve Fund created pursuant to this Resolution.

210. Facility. (A) In connection with the issuance of any Series of Bonds hereunder, the State may obtain or cause to be obtained one or more Credit Facilities providing for payment of all or a portion of the principal of, Redemption Price, Sinking Fund Installments or interest due or to become due on such Bonds, providing for the purchase of such Bonds by the issuer of such Credit Facility or pro tiding funds for the purchase of such Bonds by the State. In connection therewith the State may enter into such agreements with the issuer of such Credit Facility providing for, inter alia: (i) the payment of fees and expenses to such issuer for the issuance of such Credit Facility; (ii) the terms and conditions of such Credit Facility and the Series of Bonds affected thereby; and (iii) the security, if any, to be provided for the issuance of such Credit Facility.

(B) The State may secure such Credit Facility by an agreement providing for the purchase of the Series of Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the State in the applicable Series Resolution. The State may also in an agreement with the issuer of such Credit Facility agree to directly reimburse such issuer for amounts paid under the terms of such Credit Facility, together with interest thereon (the "Reimbursement Obligation"); provided, however, that no Reimbursement Obligation shall be created, for purposes of this Resolution, until amounts are Credit Facility. Any such Reimbursement Obligation (a "Parity Reimbursement Obligation") may be secured by a pledge of, and a lien on, collateral and revenues securing such on a parity' with the lien created by Section 501 hereof and the applicable Series Resolution. Any such Panty Reimbursement Obligation shall be deemed to be a part of the Series of Bonds to which the Credit Facility which gave rise to such Parity Reimbursement Obligation relates and references herein to Principal Installments and interest payments with respect to a Series of Bonds shall include principal and interest due on the panty Reimbursement Obligation incurred as a result of payment of such Bonds with the Credit Facility.

(C) Any such Credit Facility shall be for the benefit of and secure such Series of Bonds or portion thereof as specified in the applicable Series Resolution.

## ARTICLE III

### GENERAL TERMS AND PROVISIONS OF BONDS

301. Medium of Payment; Form and Date Unless otherwise determined by a Series Resolution authorizing a Series of Bonds, each Bond shall be payable at the principal corporate trust office of the Trustee and any Paying Agent appointed or provided for such Bond, in any coin or United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest on Bonds of each Series shall be payable, in the d in the Series Resolution authorizing the issuance of such Series, to the person in :h Bonds are registered, as shown on the registry books of the State maintained by the close of business on the Record Date.

Bonds of each Series shall be issued in the form of fully registered bonds without coupons payable to named person or registered assigns; provided, however, if the State shall deliver or caused delivered to the Trustee a Counsel's Opinion to the effect that the issuance of a Series of Bonds in coupon form payable to bearer will not adversely affect the exclusions from gross income tax purposes of the interest thereon, the State may adopt a Supplemental providing for the issuance of Bonds in coupon form payable to bearer, which may modifications to this Resolution as are necessary and appropriate for such Series of ate may provide in any applicable Series Resolution for the issuance of one or more Series of Bonds in book-entry form, pursuant to Section 309 hereof, together with such this Resolution as are necessary or appropriate for such Series of Bonds.

Bonds of each Series issued prior to the first Interest Payment Date thereof shall be dated as specified in the Series Resolution authorizing the issuance thereof. Bonds issued in exchange for, replacement of or upon the registration or transfer of Bonds on or subsequent to the payment Date thereof shall be dated as of the interest payment date next preceding the s in exchange, replacement or transfer, except that if such date of issuance shall be an Interest Date, they shall be dated as of such date of issuance; provided, however, that if, as records of the Trustee, interest on the Bonds of any Series shall be in default, the 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, registered Bonds of any Series shall be deemed to be dated as of the dated specified for the Bonds of such Series in this Resolution and the Series Resolution authorizing the issuance thereof.

All Bonds of each Series shall mature on the dates specified in a Series Resolution. Interest on all Bonds of each Series shall be payable on the Interest Payment Dates established or determined pursuant to this Resolution and any applicable Series Resolution.

302. Legends The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent provisions of this Resolution as may be necessary or desirable to comply with custom, or otherwise, as may be determined by the State prior to the delivery thereof to the Bondholder.

303. Execution and Authentication. (1) The Bonds shall be executed in the name of the State by the real or facsimile signature of the Governor, the Treasurer or Deputy Treasurer and the Comptroller and the seal of the State (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced by or on behalf of the Secretary of State of the State. In case any person who shall have signed, registered, attested, authenticated or sealed any of the Bonds shall die or cease to be the person authorized to sign, register, attest, authenticate or seal the Bonds before the Bonds signed, registered, attested, authenticated or sealed, as the case may be, by him shall have been actually authenticated and delivered by the Trustee, such Bonds shall, nevertheless, be valid, and may be issued as if the persons who signed, registered, attested, authenticated or sealed such Bonds had not died or ceased to be such authorized person. Any Bond of a series may be signed and sealed on behalf of the State 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 employment by, the State, although at the date of the Bonds of such Series such persons may not have been so authorized or have held such office or employment.

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

304. Interchangeability of Bonds. Bonds, upon surrender thereof at the 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 maturity of any other authorized denominations.

305. Negotiability, Transfer and Registry. All the Bonds issued under this Resolution shall be negotiable as provided in the Act, subject to the provisions of registration and transfer contained in this Resolution and in the Bonds.

Each Bond shall be transferable only upon the books of the State, which shall be kept for that purpose at the 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 attorney duly authorized in the transfer of any such Bond, the State shall issue in the name of the transferee a new Bond of the same aggregate principal amount and Series and maturity as the surrendered Bond.

The State and the Trustee may deem and treat the person in whose name any Outstanding Bond shall be registered upon the registration books of the State 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, if any, of and interest on such Bond and for all other purposes, 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 so paid, and neither the State nor the Trustee shall be affected by any notice to the contrary. The State 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.

306. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the State shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the State 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 provision of this Resolution, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the State or the Trustee incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the State. The State shall not be obliged to make any such exchange or transfer of Bonds of any Series during the ten (10) days next preceding an Interest Payment Date on the Bonds of such Series or, in the case of any proposed redemption of Bonds of such Series, next preceding the date of the selection of Bonds to be redeemed.

307. Bonds, Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the State shall execute and the Trustee shall authenticate and deliver a new Bond of like Series, maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost, (a) with respect to a mutilated Bond, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or (b) with respect to a Bond destroyed, stolen or lost, in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the State evidence satisfactory to the State and Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the State and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the State and the Trustee may prescribe and paying such expenses as the State and the Trustee may incur in connection therewith. All Bonds so surrendered to the Trustee shall be cancelled by it and evidence of such cancellation shall be given to the State.

308. Preparation of Definitive Bonds; Temporary Bonds. Definitive Bonds shall be lithographed, printed or typewritten as selected by the State. Until the definitive Bonds of any Series are prepared, the State may execute, in the same manner as is provided in Section 303 hereof, request of the State, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the denominations thereof and as to interchangeability and registration of Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations of \$5,000 or any multiples thereof authorized by the State, or in any other denomination specified in the applicable Series Resolution, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The State at its own expense shall prepare and execute and, upon the surrender



at the corporate trust office of the Trustee of such temporary Bonds the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor definitive Bonds of the same aggregate principal amount and Series and maturities as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Resolution.

All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

309. Depository Institution. (A) The State may designate a Depository Institution to be the registered owner of all-or any Series of Bonds. The State hereby appoints The Depository Trust Company ("DTC") as the Depository Institution.

(B) Any Depository Institution may at any time resign or be discharged. Upon the resignation or discharge of the Depository Institution, the State and the Trustee will make arrangements to provide certificated Bonds to the beneficial owners of such Bonds as of the date of resignation or discharge or such earlier date as is practicable, in any case as determined on the records of the Depository Institution. The Trustee and the State shall have no responsibility for errors, negligence or malfeasance of the Depository Institution.

(C) As long as there shall be a Depository Institution for a Series of Bonds, all Bonds of such Series shall be registered on the registration books of the State in a name or names designated by such Depository Institution, who shall for all purposes of this Resolution be the registered owner of such Bonds. As long as there shall be a Depository Institution with respect to a Series of Bonds, with respect to such Bonds:

(1) All payments of interest, principal, redemption price and purchase price made by the Trustee shall be delivered only to the registered owner.

(2) All notices delivered by the State or the Trustee pursuant to this Resolution shall be delivered only to the registered owner.

(3) All rights of Bondholders under this Resolution, including without limitation voting rights, rights to approve, waive, or consent, rights to transfer and exchange Bonds, and rights to tender Bonds and elect not to tender Bonds shall be rights of the registered owner.

(D) The State and the Trustee shall not be liable or responsible because of a failure by the Depository Institution to perform any act, discharge any duties, execute any tenders or make any payments, in each case with respect to the beneficial owners, except to the extent the State or the Trustee as applicable, is liable or responsible under this Resolution to the registered owner.

## ARTICLE IV

### APPLICATION OF BOND PROCEEDS

401. Application of Bond ProceedsAll proceeds of the initial Series of Bonds issued under shall be applied or deposited pursuant to the Series Resolution authorizing the issuance of such initial Series of Bonds. All other proceeds of Bonds of any Series to be issued, upon their issuance, sale and delivery, shall be applied or deposited in accordance with the 1e Series Resolution authorizing the issuance of the Bonds of such Series and shall be for the purposes for which such amounts may be applied in accordance with the provisions of the Resolution.

## ARTICLE V

### ESTABLISHMENT OF FUNDS AND ACCOUNTS, AND APPLICATION THEREOF

501. Pledge. With respect to all Bonds, the Pledged Receipts, the funds and accounts established in connection with the issuance of such Bonds (excluding the Rebate Fund), the investments thereof and the proceeds of such investments, if any, are hereby pledged for the municipal of, Redemption Price of, interest on, and Sinking Fund Installments for, the Bonds, in accordance with the terms and provisions of this Resolution, subject only to the is Resolution permitting or further limiting the application thereof for the purposes and on the terms and conditions set forth in this Resolution and provided than any Debt Service Reserve Fund or Interest Subsidy Fund hereinafter created shall only be pledged to the Series of any such funds in accordance with the Supplemental Resolution or Series Resolution same. Subject to the provisions of Section 1401 hereof, this pledge shall be valid and binding from and after the date of adoption of this Resolution, and the Pledged Receipts and all other moneys and securities in the funds and accounts established by this Resolution hereby pledged shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and such lien shall be a just lien and shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the State, irrespective of whether such parties have notice thereof.

502. Establishment of Funds and Accounts. (A) The following special trust funds are hereby established and shall be maintained pursuant to the provisions of this Resolution:

- (1) Subordinate Revenue Fund
  - (a) Pledged Receipts Account
  - (b) Earnings Account
- (2) Subordinate Debt Service Fund
  - (a) Interest Account
  - (b) Principal Account
  - (c) Redemption Account
  - (d) Capitalized Interest Account
- (3) Subordinate Administrative Fund
  - (a) Costs of Issuance Account

(b) The State may direct the Trustee to further establish within this Resolution certain other special funds and accounts, including one or more Debt Service Reserve Funds and one or more Interest Subsidy Funds with respect to all or any one or more Series of Bonds, as the State deems necessary and proper.

(C) Each of the above funds shall be held mad maintained by the Trustee pursuant to the provisions of the Resolution; provided, however, that moneys to be deposited in any funds or accounts hereinafter established under (B) above may be deposited with one or more depositories in trust of the Trustee as determined by the State.

503. Revenue Fund. (1) The Trustee shall establish within the Revenue Fund the following accounts

(a) Pledged Receipts Account

(b) Earnings Account

(2) The Trustee shall promptly deposit the following receipts in the Revenue Fund:

(a) All Pledged Receipts received by the Trustee which shall be deposited in the Pledged Receipts Account; and

(b) Any amounts received by the Trustee as Earnings on moneys held in all funds and accounts held under this Resolution which shall be deposited in the Earnings Account of the Revenue Fund; provided, however, that Earnings on any Debt Service Reserve Fund or Interest Subsidy Fund hereinafter created may be deposited as provided in the Supplemental Resolution or Series Resolution establishing the same.

(c) Any amounts received by the Trustee from the Rebate Fund pursuant to Section 509(3) hereof which shall be deposited in the Pledged Receipts Account of the Revenue Fund.

(3) Upon receipt by the Trustee of Pledged Receipts and Earnings, which Earnings held in the Earnings Account, such Pledged Receipts and Earnings, shall be promptly transferred to the Debt Service Fund for the payment of principal of and interest on Bonds to the extent required to meet the Aggregate Debt Service payments due through the next succeeding December 31 (or, with respect to Pledged Receipts constituting amounts paid to the Trustee in accordance with Section 910(1) hereof, through the second succeeding December 31) in the following order of priority: first to the Interest Account, then to the Principal Account for the payment of principal and Sinking Fund Installments, if any. Then to the in the Pledged Receipts Account (to the extent available therefor, to the Debt Service Reserve if .more than one) in an amount which is necessary to restore the Debt Service to the Debt Service Reserve Fund Requirement. Notwithstanding the foregoing, but provided the amounts on deposit in each Debt Service Reserve Fund are at least equal to its Debt Service Reserve Fund Requirement, any moneys in the Revenue Fund shall, upon the delivery of a m Authorized Officer of the State as described in Section 206(5) hereof which shall include all Senior Bonds and Bonds then Outstanding and assume the withdrawal of such amounts from Revenue Fund, be withdrawn from the Revenue Fund, free and clear of the lien of this Resolution, and used for any Program purpose. Pending such transfer, moneys in the Revenue Fund shall be invested in accordance with subsection (4) below.

(4) The Trustee shall, at the direction of an Authorized Officer, invest and reinvest in Investment Obligations the moneys in said funds so that the maturity date or date of redemption at the option of the Holder of such obligations shall coincide as nearly as practicable with the times at which moneys are needed by the Trustee to be so expended. The obligations purchased shall be held by the Trustee and shall be deemed at all times to be part of the Revenue Fund.

(5) Promptly upon receipt thereof by the Trustee, any interest earned or gains realized by the investment of moneys held in the Revenue Fund for the preceding calendar month shall be transferred into the Earnings Account within the Revenue Fund.

(6) At the end of each Fiscal Year the State shall determine the amount of the Earnings that were deposited in the Earnings Account of the Revenue Fund required to be rebated to the United States for such Fiscal Year and shall direct the Trustee in a certificate of an Authorized Officer to deposit such amounts to the Rebate Fund. Upon deposit of such Earnings to the Rebate Fund pursuant to this Section, any Earnings remaining in the Earnings Account shall be deposited in the Pledged Receipts Account of the Revenue Fund.

504. [RESERVED]

505. Debt Service Fund. (1) The Trustee shall establish within the Debt Service Fund the following accounts:

- (a) Interest Account
- (b) Principal Account
- (c) Redemption Account
- (d) Capitalized Interest Account

(2) The Trustee shall promptly deposit the following receipts in the Debt Service Fund:

- (a) Any accrued interest received as proceeds of a Series of Bonds as set forth in the applicable Series Resolution, which shall be deposited as provided in the Series Resolution.
- (b) All amounts required to be transferred to the Interest Account or the Principal Account, as applicable, from the Revenue Fund pursuant to Section 503 hereof, which shall be deposited in the Interest Account or the Principal Account, as applicable;
- (c) All amounts required to be transferred to the Interest Account or Principal Account, as applicable, from any Interest Subsidy Fund pursuant to, or in accordance with, Section 507 hereof, which shall be deposited in the Interest Account or the Principal Account, as applicable, and applied solely as provided in subsections (4) and (5) of this Section 505;
- (d) Any amounts required to be transferred to the Interest Account or the Principal Account, as applicable from any Debt Service Reserve Fund pursuant to Section 506 hereof, which shall be deposited in the Interest Account or the Principal Account, as applicable, and applied solely as provided in subsections (4) and (5) of this Section 505.
- (e) Any amounts required to be transferred to the Principal Account from the Revenue Fund as Sinking Fund Installments, as set forth in the applicable Series Resolution, which shall be deposited in the Principal Account.

- (f) Any amounts directed by the State to be transferred to the Interest Account or the Principal Account from the Administrative Fund pursuant to Section 508 hereof, which shall be deposited in the Interest Account or the Principal Account, as applicable.
- (g) Any amounts received by the Trustee for the purpose of redeeming Bonds pursuant to Section 606 hereof which shall be deposited in the Redemption Account.
- (h) Any capitalized interest received by the Trustee which shall be deposited into the Capitalized Interest Account.

(3) The Trustee shall transfer from the Capitalized Interest Account to the Interest Account of the Debt Service Fund on the day preceding the Interest Payment Date, the amount payment of capitalized interest on such Bonds due on such Interest Payment Date.

(4) The Trustee shall pay out of the Interest Account of the Debt Service Fund to the for any of such Bonds (i) on each Interest Payment Date, the amount required for the payment of interest on such Bonds due on such Interest Payment Date and (ii) on any redemption date, the amount required for the payment of accrued interest on such Bonds redeemed unless the payment of such accrued interest shall be otherwise provided for, and such amounts shall be applied by the Paying Agents to such payment; provided, however, that amounts transferred to the Interest Account from the Debt Service Reserve Fund or Interest Subsidy Fund shall only be applied to the payment of principal on Bonds secured by such Debt Service Reserve Fund or Interest Subsidy Fund, as applicable.

(5) The Trustee shall pay out of the Principal Account of the Debt Service Fund to the on each principal payment date or sinking fund redemption date, as applicable (as set :s Resolution) for any of such Bonds, the amounts required for the payment of such principal date or such sinking fund redemption price on such date, as applicable, and such be applied by the Paying Agents to such payments; provided, however, that amounts he Principal Account from the Debt Service Reserve Fund or Interest Subsidy Fund )plied to the payment of principal or sinking fund redemption price of Bonds secured by such Debt Service Reserve Fund or Interest Subsidy Fund, as applicable.

(6) The amount accumulated in the Principal Account for each sinking fund redemption may, and if so directed by the State shall, be applied (together with amounts accumulated in the Interest Account of the Debt Service Fund with respect to interest on the Bonds subject to sinking fund redemption) by the Trustee prior to the forty-fifth (45th) day preceding the sinking fund redemption date to:

- (a) the purchase of Bonds of the Series and maturity as such Bonds subject to such sinking fund redemption, at prices (including any brokerage and other charges) not exceeding the Redemption Price payable for such Bonds pursuant to such sinking fund redemption plus unpaid interest accrued to the date of purchase, such purchases to be made by the Trustee as directed by the State in writing by an Authorized Officer, or

- (b) the redemption, pursuant to Article VI of such Bonds if then redeemable by their terms, at the Redemption Price referred to in paragraph (a) above.

Upon any purchase or redemption of Bond of any Series and maturity, under this subsection, for Fund Installments shall have been established, an amount equal to the applicable Redemption Prices thereof shall be credited toward any one or more of such Sinking Fund directed by the State in an Authorized Officer's certificate, or, failing such direction of each year, toward such Sinking Fund Installment in inverse order of their due date of any such Sinking Fund Installment remaining after the deduction of any such amount toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance Fund Installment for the purpose of the calculation of Principal Installments due on

(7) Whenever the moneys in the Debt Service Fund are insufficient to pay the interest, Sinking Fund Installments due on Bonds, the Trustee shall apply amounts from the following funds to the extent necessary to make good the deficiency in the order of priority as provided below:

- (a) Whenever amounts on deposit in the Interest Account of the Debt Service Fund are insufficient to pay the next interest payment coming due on Outstanding Bonds, and all transfers from the Revenue Fund required in accordance with Section 503 hereof have been made, moneys shall be transferred:

First: solely with respect to Bonds secured thereby, from any Debt Service Reserve Fund established with respect to such Bonds; and

Second: solely with respect to Bonds secured thereby, from any Interest Subsidy Fund established with respect to such Bonds,

in all cases, to the Interest Account of the Debt Service Fund on the day immediately preceding the applicable Interest Payment Date in an amount, to the extent moneys are available therefor, sufficient to cause the amount on deposit therein to equal the amount of the interest payment next coming due.

- b) Whenever amounts on deposit in the Principal Account of the Debt Service Fund are insufficient to pay the next principal payment or Sinking Fund Installment coming due on Outstanding Bonds, and all transfers from the Revenue Fund required in accordance with Section 503 hereof have been made, and there are on deposit in the Interest Account of the Debt Service Fund amounts sufficient to pay the next interest payment coming due, moneys shall be transferred:

First: solely with respect to Bonds secured thereby, from any Debt Service Reserve Fund established with respect to such Bonds; and

Second: solely with respect to Bonds secured thereby, from any Interest Subsidy Fund established with respect to such Bonds,

in both cases, to the Principal Account of the Debt Service Fund on the day immediately preceding the date on which the applicable principal payment is due in an amount, to the extent moneys are available therefor, sufficient to cause the amount on deposit therein to equal the amount of the Principal Installment next coming due.

(8) As soon as practicable after the forty-fifth (45th) day preceding the date of any such redemption, the Trustee shall proceed pursuant to Article VI to call for redemption on n date Bonds of the Series and maturity for which such sinking fund redemption was established in such amount as shall be necessary to complete the retirement of the principal amount, specified for such sinking fund redemption. The Trustee shall so call such Bonds for redemption it then has moneys in the Principal Account sufficient to pay the applicable ce thereof and moneys in the Interest Account, sufficient to pay interest thereon to Date. The Trustee shall pay out of the Principal Account to the appropriate Paying agents on each such redemption date, the amount required for the redemption of the Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption.

(9) The Trustee shall pay out of the Redemption Account of the Debt Service Fund to on each Redemption Date (as set forth in a Series Resolution) for any such Bonds for which there has not been made Sinking Fund Installments, the amounts required for the payment of on Price on the Redemption Date and such amounts shall be applied by the Paying Agents to such payments.

(10) Promptly upon receipt thereof by the Trustee, any interest earned or gains realized by the investments of moneys held in the Debt Service Fund for the preceding calendar month shall be transferred into the Earnings Account within the Revenue Fund.

506. Service Reserve Fund. (1) The State may hereinafter establish by Supplemental Resolution or Series Resolution one or more Subordinate Debt Service Reserve Funds (and accounts therein) securing one or more Series of Bonds issued under the Resolution and cause to be deposited therein such amounts, from such sources and in such manner, all as shall be determined by the State in the Supplemental Resolution or Series Resolution. Such Supplemental Resolution or Series Resolution shall also provide for the application of moneys on deposit in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement and determine where Earnings on moneys on deposit therein shall be deposited.

(2) Whenever the moneys in the Debt Service Fund are insufficient to pay the interest, principal and Sinking Fund Installments due on Bonds, the Trustee shall apply amounts from the applicable Service Reserve Fund to the extent necessary to make good the deficiency with respect to Bonds secured by such Debt Service Reserve Fund as provided in subsection (7) of Section 505 of this Resolution.

507. Interest Subsidy Fund. (1) The State may hereinafter establish by Supplemental Resolution or Series Resolution one or more Subordinate Interest Subsidy Funds (and accounts therein) securing therein such amounts, from such sources and in such manner, all as shall be determined by the State in the Supplemental Resolution, Resolution or Series Resolution. Such Supplemental Resolution or Series Resolution shall also provide for the application of maturing



investments held in the Interest Subsidy Fund and determine where Earnings on moneys on deposit therein shall be deposited.

(2) Whenever the moneys in the Debt Service Fund are insufficient to pay the interest, principal and Sinking Fund Installments due on Bonds, the Trustee shall apply amounts from the applicable Interest Subsidy Fund to the extent necessary to make good the deficiency with respect to Bonds secure by such Interest Subsidy Fund as provided in subsection (7) of Section 505 of this Resolution.

508. Administrative Fund. (1) The Administrative Fund shall be established outside of the State Revolving Fund.

(2) There shall be deposited in the Administrative Fund the following: (a) from proceeds of a Series of Bonds, such amounts as shall be specified in a Series Resolution for deposit therein and (b) such other amounts as shall be delivered by the State to the Trustee for deposit therein.

(3) Subject to subsection (b) above, moneys at any time held in the Administrative Fund shall be used for and applied solely to the following purposes:

(1) To pay the Administrative Expenses of the State;

(2) To pay the fees and expenses of the Trustee and Paying Agents;

(3) To pay costs of issuance including consultants, legal counsel and financial advisory fees and expenses; and

(4) To fund the Debt Service Fund.

(5) Payments from the Administrative Fund shall be made by the Trustee, upon receipt of a requisition signed by an Authorized Officer, stating in respect to each payment to be made, at least, (i) the item number of the payment, (ii) the name of the person or party to whom payment is to be made, (iii) the amount to be paid, and (iv) that obligations in the stated amounts have been incurred by the State, and that each item thereof is a proper charge against the moneys in the Administrative Fund and has not been paid and that such payment is not prohibited by the Act. Upon receipt of each such requisition, the Trustee shall pay each such item directly to the person or party entitled thereto as named in such requisition, or, if directed by the State, shall deliver to the State a check, draft or warrant in an amount sufficient for the payment thereof.

(6) Promptly upon receipt thereof by the Trustee, any interest earned or gains realized by investments of moneys held in the Administrative Fund for the preceding calendar month shall be transferred into the Earnings Account within the Revenue Fund.

509. Rebate Fund. (1) The Trustee shall establish a Rebate Fund. There shall be deposited in the Rebate Fund the amount of Earnings required to be rebated to the United States on all funds and accounts established by this Resolution and designated for deposit therein pursuant to this Resolution as calculated by the State to be owing to the United States pursuant to

the Tax Compliance Certificate which shall be delivered by the State concurrently with the issuance of a Series of Bonds.

(2) The Trustee, upon receipt of written instructions from an Authorized Officer, shall pay to the United States out of amounts in the Rebate Fund such amounts as are required pursuant to the Tax Compliance Certificate.

(3) Any moneys remaining in the Rebate Fund after payment to the United States shall be transferred to the Revenue Fund.

510. Disposition of Bonds Upon Payment. All Bonds paid and redeemed, or purchased by the Trustee, under the provisions of this Resolution, either at or before maturity, shall be cancelled when such payment, redemption or purchase is made, and such Bonds unless then held by the Trustee, shall be delivered to the Trustee. All cancelled Bonds shall be cremated or otherwise destroyed by the Trustee.

511. Calculation of Obligations. At the time of issuance and delivery of each Series of Bonds under this Resolution and at the time of each purchase and redemption of Bonds pursuant to of this Resolution, the Trustee shall compute or recompute and furnish the State with a certificate setting forth (a) the principal amount, schedule of maturities, Sinking Fund Installments interest on the Bonds of each Series then outstanding and (b) the principal amount and schedule of maturities of all Debt Service Reserve Fund obligations and the schedule of the interest thereon.

512. Trustee's Maintenance of Records on Payment of Bonds. In connection with the payment, redemption or purchase of all Bonds under the provisions of this Resolution, the Trustee shall keep accurate records of the source of the moneys used to pay, redeem or purchase such Bonds.

## ARTICLE VI

### REDEMPTION OF BONDS

601. Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to the provisions of a Series Resolution shall be redeemable, upon notice as Section 605 hereof, at such times, at such Redemption Prices and upon such terms (in addition to and consistent with the terms contained in this Article VI) as may be specified in the Series Resolution authorizing such Series.

602. Redemption at the Election or Direction of the State. In the case of any redemption of an as provided in Section 603 hereof, the State shall give written notice to the Trustee or direction so to redeem, of the redemption date, of the Series, of the principal Bonds of each maturity of such Series to be redeemed (which Series, maturities and amounts thereof to be redeemed shall be determined by the State in its sole discretion, in accordance with respect thereto contained in the Act or this Resolution and any Series Resolution) of the moneys to be applied to the payment of the Redemption Price. Such notice at least sixty (60) days prior to the redemption date or such shorter period as shall be determined by the Trustee. In the event notice of redemption shall have been given by the Trustee as Section 605 hereof, the Trustee, if it holds the moneys to be applied to the payment of any Price, or otherwise the State, shall, at least one day prior to the redemption date, the Trustee and the appropriate Paying Agent or Paying Agents an amount in cash which, in the event moneys, if any, available therefor held by the Trustee and such Paying Agent or will be sufficient to pay, on the redemption date at the Redemption Price thereof, interest accrued to the redemption date, all of the Bonds to be redeemed. The State notify the Trustee in writing of all such payments made by the State to a Paying Agent.

603. Redemption Other Than at State's Election or Direction. Whenever by the terms of the Trustee is required to redeem Bonds other than at the election or direction of the State the Trustee shall, unless otherwise provided in the applicable Series Resolution, select the Bonds to be redeemed, give the notice of redemption and pay the Redemption Price thereof, interest accrued to the redemption date, to itself and the appropriate Paying Agents in accordance with the terms of this Article VI.

604. Selection of Bonds to Be Redeemed. In the event of redemption of less than all of the Outstanding Bonds of like Series and maturity, the Trustee shall select the Bonds to be redeemed in such manner as provided in the Series Resolution applicable to such Bonds. For purposes of this Section 604, Bonds which have theretofore been selected for redemption shall not be deemed Outstanding.

605. Notice of Redemption. When the Trustee shall receive notice from the State of its election to redeem Bonds pursuant to Section 602 hereof, and when redemption of Bonds is required by this Resolution pursuant to Section 603 hereof, the Trustee shall give notice, in the name of the State, of the redemption of such Bonds, which notice shall specify (a) the Series and maturities of the Bonds to be redeemed, (b) the redemption date and the place or places where amounts due upon such redemption will be payable, (c) if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, (d) in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Such notice shall further

state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date. and that from and after such date interest thereon shall cease to accrue and be payable. Notice of redemption of Bonds or any portion thereof shall be given by the Trustee by mailing a copy of such redemption notice by registered or first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption (subject to such lesser notice period as may be specified in a Series Resolution) to the Holders of the Bonds which are to be redeemed, at their last addresses appearing on the registration books of the State held by the Trustee. In addition, such notice shall be sent by the Trustee to any rating agency then rating the Bonds to be redeemed and to the Information Services.

If, at the time of mailing of the notice of any optional redemption, there has not been the Trustee moneys sufficient to redeem all the Bonds so called for redemption, the notice that it is conditional on the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date. Such notice shall be of no effect and the call for such optional redemption will not be due and payable unless such moneys are so deposited.

Failure to give any required notice of redemption as to any particular Bonds will not affect the validity of the call for redemption of any Bonds in respect of which no such failure has occurred. Any notice mailed as provided in this Section 605 hereof shall be conclusively presumed to have been duly given, whether or not the registered Holder receives the notice.

Special provisions may be established for any Series of Bonds in the Series Resolution authorizing such Series of Bonds.

606. Payment of Redeemed Bonds. Notice having been given in the manner provided in hereof, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and Redemption date, and, upon presentation and surrender thereof at the offices specified, together with, in the case of Bonds presented by other than the registered owner, 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 redemption date. If there shall be called for redemption less than all of a registered estate shall execute and the Trustee shall authenticate and deliver, upon the surrender of without charge to the owner thereof, for the unredeemed balance of the principal Bond so surrendered, at the option of the owner thereof, Bonds of like Series and any of the authorized denominations. If, on the redemption date, moneys for the full of all the Bonds or portions thereof of any like Series and maturity to be redeemed, interest to the redemption date, shall be held by the Trustee and Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the Bonds or portions thereof of such Series and maturity for redemption shall cease to accrue. If said 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.

## ARTICLE VII

### SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

701. Security for Deposits. All moneys held hereunder by the Trustee which cannot be reasonably invested by the Trustee shall, until the Trustee is otherwise notified by the State by facsimile confirmed by a writing signed by an Authorized Officer, be invested by the Trustee in a money market fund registered under the Investment Company Act of 1940, as portfolio of which is limited to United States government obligations, and which Investment Obligation under subsection (iv) of the definition of "Investment Obligations" herein. All other moneys held hereunder by the Trustee shall be continuously and or the benefit of the State and the Holders of the Bonds by direct obligations of the United States of America or obligations the principal and interest of which are he State or the United States of America of a market value equal at all times to the deposit so held by the Trustee; provided, however, (a) that if the securing of such permitted by applicable law or would adversely affect the exclusion of interest on the ,ss income for Federal income tax purposes, then in such other manner as may then permitted by applicable state or Federal laws and regulations regarding the security a preference in the case of, the deposit of trust funds, and (b) that it shall not be the Trustee or any Paying Agent to give security for the deposit of any moneys with interest for the payment of the principal or Redemption Price of, Sinking Fund r or interest on any Bonds, or for the Trustee to give security for any moneys which shall be represented by obligations purchased under the provisions of this Resolution as an such moneys.

702. Investment of Funds and Accounts Held by the Trustee. (1) Moneys in the funds and accounts established under this Resolution shall be invested either by the State or by the Trustee of the State by facsimile transmission confirmed by mail in writing, signed by an ricer (which direction shall specify the amount thereof to be so invested and the State direction shall take into consideration the dates and times when moneys in such fund be required for the purposes of this Resolution), to the extent permitted by law, in Investment Obligations as defined herein. The maturity or redemption date at the option of the holder of any such investment shall coincide as nearly as practicable with the times at which moneys in the funds and accounts established pursuant to the Resolution will be required for the purposes in this Resolution.

(2) Subject to the provisions of the Tax Compliance Certificate and Article V hereof, Investment Obligations purchased with moneys held in or attributable to any fund or account held by the Trustee under the provisions of this Resolution 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 held to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account unless otherwise provided pursuant to this Resolution.

(3) In computing the amount in any fund or account held by the Trustee under the provisions of this Resolution, except as otherwise provided in a Supplemental Resolution or Series Resolution with respect to a Debt Service Reserve Fund or Interest Subsidy Fund, Investment Obligations shall be valued at actual or amortized cost thereof, whichever is lower, inclusive of accrued interest Valuation of all Investment Obligations shall be conducted by the Trustee at least once per calendar year.

(4) Except as otherwise provided in the Resolution, the Trustee shall sell, at the direction of the State at the best price obtainable as determined by the State to any purchaser other than the State, or present for redemption or exchange, any Investment Obligation pursuant to this Resolution whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the fund or account for which such investment was made. The Trustee shall advise the State in writing, on or before the twentieth day of each calendar month, of the details of all investments held for the credit of each fund and account in its custody under the provisions of this Resolution as of the end of the preceding month.

(5) In lieu of the investment of moneys in Investment Obligations authorized in hove, the Trustee shall upon direction of the State by telephone con finned in writing, authorized Officer, deposit moneys from any fund or account held by the Trustee of this Resolution, in, to the extent permitted by law, (a) the Short Term Investment te (“STIF”), (b) the Tax Exempt Proceeds Fund of the State (“TEPF”) or (c) interest deposits, or shall make other similar banking arrangements, with itself or a member of the Federal Reserve System or banks the deposits of which are insured by the it Insurance Corporation; provided, that no moneys in such funds or accounts shall be s provided in (a), (b) or (c) above if such deposit would result in a decrease in the Bonds according to Standard & Poor’s and Moody’s Investors Service; provided :h such STIF deposit, TEPF deposit, interest-beating time deposit or other similar payment shall permit the moneys so placed to be available for use at the times provided a the investment or reinvestment of such moneys; and provided further, that all :h such interest-bearing time deposit or other similar banking arrangement shall be and fully secured by direct obligations of the United States of America or of the State the principal and interest of which are guaranteed by the United States of America or f a market value equal at all times to the amount of the deposit or of the other similar agreement.

(6) No part of the proceeds of any Series of Bonds or any other funds of the State held in the funds and accounts within this Resolution shall be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an “arbitrage bond” as defined in the Internal Revenue Code of 1986 or any successor provision.

703. Liability of Trustee for Investments . The Trustee shall not be liable or responsible for the making of any investment authorized by the provisions of this Article, in the manner provided in this Article, for any loss resulting from any such investment so made.

704. Reports

. Upon request by the State, the Trustee shall furnish a statement to the State as to the deposit in the funds and accounts established pursuant to this Resolution or any Supplemental Resolution or Series Resolution.

## ARTICLE VIII

### THE TRUSTEE AND THE PAYING AGENTS

801. Appointment and Acceptance of Duties of Trustee. Fleet National Bank, a bank doing business and having its principal office in the City of Hartford, in the State of Connecticut, is hereby appointed as Trustee. The Trustee shall signify its acceptance of the duties and obligations imposed Resolution by executing the certificate of authentication endorsed upon the Bonds, ng such certificate upon any Bond, the Trustee shall be deemed to have accepted obligations not only with respect to the Bond so authenticated, but with respect to hereafter to be issued, but only, however, upon the terms and conditions set forth in this Resolution.

802. Appointment and Acceptance of Duties of Payme Agent . The State shall appoint one or more Paying Agents for the Bonds of any Series in the Series Resolution authorizing such Bonds or shall appoint such Paying Agent or Paying Agents by resolution of the State 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 812 hereof for the appointment of a successor Paying Agent. The Trustee may be appointed to act as Paying Agent notwithstanding that it may then be acting in the capacity of Trustee.

Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by written instrument of acceptance deposited with the State and the Trustee.

### 803. Responsibilities of Trustee and Paying Agents

. (A) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the State and neither the Trustee nor any Paying Agent assumes any responsibility for the correctness of the same. Neither the Trustee nor any Paying Agent shall be deemed to make any representations as to the validity or sufficiency of this Resolution or of any Bonds issued hereunder or in respect to the security afforded by this 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 the issuance of the Bonds for value or the application of the proceeds thereof or the application of any moneys paid to the State. Neither the Trustee nor any Paying Agent shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. Neither the Trustee nor any Paying Agent shall be liable in connection, with the performance &f its duties hereunder except for its own negligence or default. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to the application of any moneys paid to any one of the others. The Trustee will not be required to and will make no representations and have no responsibilities as to the accuracy, validity, sufficiency of value or genuineness if any calculations of the State or of any signatures of endorsements other than those of the Trustee and its employees.

(B) As soon as practicable but not later than the twentieth day of each month, the Trustee shall submit to the State a written report on the funds and accounts held by it pursuant to this Resolution. Such monthly reports shall be in a form acceptable to the State.

804. Evidence on Which Trustee and Paying Agents May Act. The Trustee and any Paying Agent shall be protected in acting upon any notice, direction, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it 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 counsel to the State, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by under this Resolution 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 under this Resolution, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this 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 to it may seem reasonable.

Except as otherwise expressly provided in this Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the State to the Trustee or any Paying Agent shall be in writing and sufficiently executed if executed in the name of the State by an Authorized Officer. In the event verbal directions are provided in accordance with this Resolutions, the State, as soon as practicable, shall confirm such directions in writing as provided above.

805. Compensation. The Trustee shall be entitled to reasonable fees and reimbursement by the State for all expenses, charges, counsel fees and other disbursements reasonably incurred by it in the performance of its duties and powers under this Resolution, including those of its attorneys, agents and employees, and the State shall indemnify the Trustee for, and hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance c f any of its powers or duties hereunder. Each Paying Agent shall also be entitled to reasonable fees and to reimbursement by the State for all expenses and charges reasonably incurred by it in the performance of its duties hereunder.

806. Permitted Acts and Functions. The Trustee and any Paying Agent may become the owner of any Bonds, with the same rights it would have 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 a, t as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement f the Bonds or this Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.



807. Resignation of Trustee. (A) The Trustee may at any time resign and be discharged of the duties and obligations created by this Resolution by giving not less than sixty (60) days written notice to the Slate and publishing notice thereof, specifying the date when such resignation shall take effect, once in the Authorized Newspapers.

(B) Such resignation shall take effect immediately upon the appointment of a successor Trustee pursuant to subsection 03) of Section 809 hereof unless previously a successor shall have been appointed, as provided in subsection (A) of said Section 809, in which event such resignation shall take effect immediately on the appointment of such successor, if and only if:

(1) such successor Trustee shall have become fully vested with all moneys, estate, properties, rights, powers, duties and obligations of its predecessor Trustee, with like effect as if originally named as Trustee; and

(2) such successor Trustee shall have actually assumed the duties of such office.

(C) If the requirements of subsection 03) above have not been satisfied by the date established as the effective date of the Trustee's resignation, the State and the successor Trustee shall take any and all steps lawful and reasonable, to ensure that such requirements have been met within ten ( 10 business days of such effective date.

808. Removal of Trustee. (A) The Trustee shall be removed by the State if at any time such removal is so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the State and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the State. The State may remove the Trustee with or without cause, at any time, except during the existence of an Event of Default, by filing an instrument signed by an Authorized Officer; provided, however, that the diligent pursuit of its responsibilities shall not be cause for removal of the Trustee by the State.

(B) Removal of the Trustee shall take effect upon the appointment of a successor Trustee in accordance with Section 809 hereof, if and only if:

(1) such successor Trustee shall have become fully vested with all moneys, estate properties, rights, powers, duties and obligations of its predecessor Trustee, with like effect as if originally named as Trustee; and

(2) such successor Trustee shall have actually assumed the duties of such office.

(C) If the requirements of subsection 03) above have not been satisfied by the date established at the effective date of the Trustee's removal, the State and the successor Trustee shall take any and all steps lawful and reasonable, to ensure that such requirements have been met within ten ( 10) business days of such effective date.

809. Appointment of Successor Trustee

. (A) In case at any time the Trustee shall resign or act or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, liquidator or conservator of the Trustee or of its property shall be appointed, or if er shall take charge or control of the Trustee, or of its property or affairs, the State agrees that it will thereupon appoint a successor Trustee. The State shall publish such appointment made by it in an Authorized Newspaper, such publication to be made within twenty (20) days after such appointment.

(B) If in a proper case no appointment of a successor Trustee shall be made pursuant to provisions of this Section within forty-five (45) days after the Trustee shall have given to the State written notice, as provided in Section 807 hereof, or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may r such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

#### 810. Transfer of Rights and Property to Successor Trustee

. Any Trustee appointed under the provisions of this Section 809 hereof in succession shall be a bank or trust company organized under the laws of any state, or a national banking association, doing business and having its principal office in any state, and having a capital and surplus aggregating at least Fifty Million Dollars (\$50,000,000) if there is such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed on it by this Resolution.

811. Transfer of Rights and Property to Successor Trustee. Any successor Trustee :r this Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the State, an instrument accepting such appointment, and thereupon such successor ut any further act, deed or conveyance, shall become fully vested with all moneys, ties, rights, powers, duties and obligations of such predecessor Trustee, with like originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the of the State, or of the successor Trustee, execute, acknowledge and deliver such conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, st of the predecessor Trustee in and to any property held by it under this Resolution, over, assign and deliver to the successor Trustee any money or other property subject id conditions herein set forth. Should any deed, conveyance or instrument in writing be required by such successor Trustee for more fully and certainly vesting in and confirming to each successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the State. Any such successor Trustee shall promptly notify the Paying Agent of its appointment as Trustee.

812. Merger, Conversion or Consolidation. Any company into which the Trustee or any Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the trustee or any Paying Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee or Paying Agent without the

execution or filing of any paper or the performance of any further act, provided with respect to the Trustee that such company shall be a bank or trust company organized under the laws of any state of the United States or the District of Columbia or a national banking association and shall have an office for the transaction of its business in any of such states or the District of Columbia and shall be authorized by law to perform all the duties imposed upon it by this Resolution.

813. Resignation or Removal of the Paying Agents and Appointment of Successors. (A) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least sixty (60) days' written notice to the State 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 State. Any successor Paying Agent shall be appointed by the State and (subject to the requirements of Section 803 hereof) shall be a bank and 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 Fifty Million Dollars (\$50,000,000) 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 by this Resolution.

(B) The resignation or removal of a Paying Agent shall take effect upon the appointment of a successor Paying Agent if and only if such successor Paying Agent shall have actually assumed the duties of such office. If the requirements of the preceding sentence have not been satisfied by the date established as the effective date of the Paying Agent's resignation or removal, the State and successor Paying Agent shall take any and all steps lawful and reasonable, to ensure that such requirements have been met within ten (10) business days of such effective date.

(C) 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. In the event that for any reason there shall be a vacancy in the office of Paying Agent, the Trustee shall act as such Paying Agent.

## ARTICLE IX

### COVENANTS OF THE STATE

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

901. Payment of Bonds. The State shall duly and punctually pay or cause to be paid the Redemption Price, if any, of every Bond and the interest thereon, but only from the Pledged Receipts and other revenues or receipts, funds or moneys pledged therefor as provided in is Resolution, at the dates and places and in the manner provided in the Bonds according to the true intent and meaning thereof, and shall duly and punctually satisfy all Sinking its, becoming payable with respect to any Series of Bonds.

902. Further Assurances

. At any and all times the State shall, so far as it may be authorized law, pass, make, do, execute, acknowledge and deliver, all and every such further ;, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, confirming and affecting all and singular rights, Pledged Receipts and other moneys, securities, funds and property hereby pledged or assigned, or intended so to be, or which the State may hereafter become bound to pledge or assign.

903. Power to Issue Bonds and Make Pledge. The State is duly authorized pursuant to law td issue the Bonds and to adopt this Resolution and to pledge the Pledged Receipts and other moneys, securities, funds and property purported to be pledged by this Resolution in the extent provided in this Resolution. The Pledged Receipts and other moneys, Ls and property so pledged are and will be free and clear of any pledge, lien, charge or hereon or with respect thereto prior to, or of equal rank with, the pledge created by t, and all action on the part of the State to that end has been duly and validly taken. The Bonds and the provisions of this Resolution are and will be the valid and legally enforceable obligations of the State in accordance with their terms and the terms of this Resolution. The State es, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Receipts and other moneys, securities, funds and property pledged under this Resolution its of the Bondholders under this Resolution against all claims and demands of all persons whomsoever.

904. General. (A) The State 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 State under law and the Resolution in accordance with the terms of such provisions.

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

905. Accounts and Reports. (A) The State shall keep, or cause to be kept, proper books of record and account in which complete and correct entries shall be made of its transactions relating to all Senior Bonds Municipal Obligations Payments, Senior Bonds Municipal

Obligations, Senior Bonds and Charges and all funds and accounts established by the Senior Bond Resolution and this Resolution.

(B) The State shall annually, on or before the last day of December in each year, file a copy of an annual report for the preceding Fiscal Year with respect to the Program, accompanied by an Accountant's Certificate, setting forth in complete and reasonable detail: (1) its operations and accomplishments; (2) its receipts and expenditures during such Fiscal Year with the categories or classifications established by the State for its operating and capital outlay purposes; (3) its assets and liabilities at the end of such Fiscal Year, including a schedule of its Senior Bonds Municipal Obligations Payments, Senior Bonds Municipal Senior Bonds Fees and Charges, a list of Municipalities in default status and the status of reserve or other funds and the funds and accounts established by the Senior Bond this Resolution; and (4) a schedule of its Senior Bonds and Bonds Outstanding and other obligations outstanding at the end of such Fiscal Year, together with a statement of the redeemed and issued during such Fiscal Year. A copy of each such annual report and certificate shall be mailed promptly thereafter by the State to each Bondholder who has his name and address with the State for such purpose.

906. Personnel and Servicing of the Program

(A) The State shall at all times appoint, retain and employ competent personnel for the purpose of carrying out its Program and shall establish and enforce reasonable rules, regulations, tests and standards governing the employment of such personnel at reasonable compensation, salaries, fees and charges all persons employed by the State shall be qualified for their respective positions.

(B) The State may pay to the respective State agency, governmental unit or political subdivision of the State from the Administrative Fund such amounts as are necessary to reimburse the respective State agency, governmental unit or political subdivision of the State for the reasonable costs of any services performed for the State.

907. [RESERVED]

908. [RESERVED]

909. Modification of Senior Bonds Loan Agreement Terms. The State shall not consent to on of, or modify, the rate or rates of interest of, or the amount or time of payment of at of principal or interest of any Senior Bonds Municipal Obligations or the security terms or provisions of such Senior Bonds Municipal Obligations, in a manner which adversely affects or diminishes the rights of the Bondholders. The State covenants to Standard & Poor's and Moody's Investors Service of any material change in the terms or provisions of any Senior Bonds Loan.

910. Payments from the Senior Bond Resolution; Covenants Regarding the Senior Bond Resolution

(1) In accordance with the provisions of Section 503(3) of the Senior Bond Resolution the State covenants that not later than December 31 in each year it shall cause the Senior Bonds [raw and pay to the Trustee from moneys remaining in the Senior Bonds Revenue Fund for withdrawal pursuant to said Section 503(3) an amount at least sufficient together with amounts

on deposit in the funds and accounts established under this Resolution which For the payment of scheduled principal of and interest on the Bonds (not including amounts on deposit in the Debt Service Reserve Fund not representing Earnings), to provide first for the Aggregate Debt Service coming due during the period ending on December 31 of the next succeeding calendar year and then to restore each Debt Service Reserve Fund (pro-rata, if more than one) to its Debt Service Reserve Fund Requirement; provided, however, that if the amount available for withdrawal pursuant to Section 503(3) of the Senior Bond Resolution is less than the required amount set out above, then only the full amount available for withdrawal shall be withdrawn and paid to the Trustee. In furtherance thereof and to the extent of such available moneys, the State shall cause to be delivered to the Senior Bonds Trustee on a yearly basis f an Authorized Officer described in Section 206(5) of the Senior Bond Resolution written direction requesting the Senior Bonds Trustee to withdraw from the Senior Fund and pay to the Trustee the amount set forth in such direction.

(2) The State hereby further covenants that if, at any time during a calendar year, moneys held by the Trustee are insufficient to provide for the full payment of Principal Installments he same come due during such calendar year or to restore any Debt Service Reserve t Service Reserve Fund Requirement, the State shall from time to time further direct payment to the Trustee for deposit to the Revenue Fund of any other available moneys held under the Senior Bond Resolution which are subject to withdrawal (i) in accordance ;ions of Section 503(3) of the Senior Bond Resolution or (ii) in accordance with the Section 506(5) of the Senior Bond Resolution, but only to the extent that such amounts to be withdrawn pursuant to this clause (ii) represent the proceeds at maturity of State general obligation bonds on deposit in the Senior Bonds Debt Service Reserve Fund. The State reserves the right to direct the deposit of amounts so withdrawn under Section 506(5) of the Senior ,n, referred to in clause (ii) of the preceding sentence, to any fund or account which may be established hereafter under a separate bond resolution adopted by the State providing for the issuance of bonds for Program purposes, but only to the extent of any shortfall in such fund or account in amounts available to pay debt service on such bonds during the current calendar year or debt service reserve fund or similar fund to its required level; provided that, in the event that at any time such amounts available to be withdrawn under Section 506(5) of the Senior m are not sufficient to make any such required deposits to the Revenue Fund and to fund or account, such amounts available to be withdrawn shall be applied on a pro rata basis (based on the relative amounts which would be required to be deposited in the Revenue ch other fired or account) for deposit into the Revenue Fund and such other fund or account.

(3) The State covenants that (i) it will not withdraw moneys on deposit in the Senior Bonds Revenue Fund pursuant to Section 503(3) thereof for any purpose other than for deposit to the funds and accounts under the Senior Bond Resolution as provided in said Section 503(3) and for payments to the Trustee pursuant to this Section 910 unless it has (A) fully funded the amounts required unde{ subsection (1) above for the applicable calendar year and (B) delivered to the Trustee a certificate of an Authorized Officer of the State as described in Section 206(5) hereof which shall include in such shall include in such calculation all Senior Bonds and Bonds then Outstanding and which calculation shall assume the purpose, (ii) it amend the Senior Bonds Resolution and (iii) it shall not amend the Senior Bonds Resolution in any manner which shall have a material adverse effect upon the Holders of the Bonds.

(4) The State may issue additional Senior Bonds or Senior Notes in accordance with the provisions of the Senior Bond Resolution; provided, however, that the State shall not issue additional Senior Bonds unless:

(i) it has delivered written notice thereof to the Trustee;

(ii) except in the case of Senior Bonds issued to refund Outstanding Senior Bonds with respect to which clause (iii) below applies, it has delivered to the Trustee certificate of an Authorized Officer stating that upon delivery of such Senior Bonds, there shall be on deposit in the Senior Bonds Interest Subsidy Fund and, to the extent hereinafter established, in any Interest Subsidy Fund, permitted investments beating interest at such rate or rates and having such principal maturities that for each Payment Period for the Outstanding Bonds, the amount of principal and interest payable on such investments equals or exceeds the Interest Subsidy Fund Requirement calculated on such date of delivery and including therein the Senior Bonds then being issued;

(iii) in the case of Senior Bonds issued to refund Outstanding Senior Bonds, it has delivered to the Trustee a certificate of an Authorized Officer setting forth the Senior Bonds Aggregate Debt Service for the then current and each future calendar year (A) with respect to all Series of Senior Bonds Outstanding immediately prior to such authentication and delivery and (B) with respect to all Series of Senior Bonds to be Outstanding immediately thereafter (excluding any other Series of such Senior Bonds issued simultaneously with the issuance of such Series of Senior Bonds) and that the Senior Bonds Aggregate Debt Service for each corresponding year set forth pursuant to (B) above is no greater than the Senior Bonds Aggregate Debt Service for each corresponding year set forth pursuant to (A) above.

911. Enforcement of Senior Bonds Municipal Obligation. The State shall diligently enforce, and take all reasonable steps, action and proceedings necessary for the enforcement of all terms, covenants and conditions of all Senior Bonds Loan Agreements and the Senior Bonds Municipal Obligations evidencing Senior Bonds Loans made by the State.

912. [RESERVED]

913. Federal Tax Covenant(a) The State shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid on the Bonds shall, for the purposes of Federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation.

(b) The State shall not permit at any time any of the proceeds of the Bonds or other e to be used, directly or indirectly, to acquire any asset or obligation the acquisition cause any Note or Bond to be an “arbitrage bond” for the purposes of Section 148 of the Code,

(c) Notwithstanding the foregoing, the State hereby reserves the right to elect to issue Bonds the interest on which is not exempt from Federal income taxation, if such election is made

prior to the issuance of such Bonds, and the covenants contained in this Section shall not apply to such Bonds.

914. State Tax Covenant. The State hereby covenants with the purchasers and all subsequent Holders and transferees of any Bonds, in consideration of the acceptance and payment that the Bonds shall be at all times free from taxes levied by any municipality or political subdivision or special district having taxing powers of the State and the principal of and Bonds issued under the Act, their transfer and the income therefrom, including :d from the sale thereof, shall at all times be free from taxation of every kind by the State or under its authority except for the estate or succession taxes.

915. Agreement of the State. The State does hereby pledge to and agree with the at the State will not limit or alter the rights vested by the Act in the State to fulfill the agreements made with Bondholders or in any way impair the rights and remedies of the Bondholders until the Bonds, together with the interest thereon, with interest on any unpaid interest, and all costs and expenses in connection with any action or proceeding by the Bondholders, are fully met and discharged, provided nothing herein contained such limitation or alteration if and when adequate provision shall be made by law for of the Bondholders.

916. Clean Water Fund Revenue Bond ProgramIn order to provide sufficient moneys with which to pay the Principal Installments and the principal and interest when due and payable on State shall from time to time, with all practical dispatch and in a sound and tuner consistent in all respects with the Act and the Federal Water Quality Act of 1987 as then amended and as interpreted in regulations adopted by the United States Environmental Protection Agency and the State Department of Environmental Protection and in effect and with the provisions of the Senior Bond Resolution and the Resolution, use and apply the proceeds of Senior Bonds issued to finance Senior Loans to such purpose pursuant to such Act as so amended and the resolution, shall do all such acts and things necessary to invest moneys consistent with n and receive and collect the Pledged Receipts and the interest on all funds and accounts established within this Resolution and shall diligently enforce, and take all steps, actions mud proceedings for the enforcement of all terms, covenants and conditions of the Senior Bonds Loans.

917. Additional Obligations

. The State reserves the right to issue (i) additional Senior Bonds and Senior Notes in accordance with the provisions of the Senior Bond Resolution and Section 910 4f this Resolution and (ii) other bonds, notes or obligations, other than Senior Bonds, Senior Notes] Bonds and Notes, under another and separate resolution so long as the same are not entitled to a charge or lien or right, prior or equal to, the charge or lien created by, or prior or equal to the rights of the State and Holders of the Bonds provided by, this Resolution, or with respect to the Pledged Receipts under this Resolution.



## ARTICLE X

### SERIES RESOLUTIONS AND SUPPLEMENTAL RESOLUTIONS

#### 1001. Modification and Amendment Without Consent

. Notwithstanding any other provisions of this Article X, or Article XI, the State 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:

(1) To provide for the issuance of a Series of Bonds pursuant to the provisions of this Resolution and to specify and determine such matters and things referred to in Article II of this Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;

(2) To add additional covenants and agreements of the State for the purpose of farther securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the State contained in this Resolution;

(3) To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the State which are not contrary to or inconsistent with the limitation and restrictions thereon thereto fore in effect;

(4) To surrender any right, power or privilege reserved to or conferred upon the , State any the terms of this Resolution, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the State contained in this Resolution;

(5) To confirm as further assurance any pledge under and the subjection to any lien, claim or pledge created or to be created by the provisions of this Resolution of the Pledged Receipts or of any other moneys, securities or funds;

(6) To permit the issuance of Bonds in bearer form if authorized by Section 301 hereof including such provisions relating to payment, notices, selection of Bonds for redemption, and similar matters relating to bearer bonds in general;

(7) To establish such additional funds and/or accounts as are deemed necessary and proper to further the purposes of the Program, including one or more Debt Service Reserve Funds or Interest Subsidy Funds and accounts therein;

(8) To modify any of the provisions of this Resolution or any previously adopted Series Resolution in any other respects, provided that such modifications shall not be effective until alter all Bonds of any Series of Bonds Outstanding as of the date of adoption of such Series Resolution or Supplemental Resolution shall cease to be

Outstanding, and all Bonds issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent resolutions; or

(9) To cure any ambiguity or defect or inconsistent provision in this Resolution or to insert such provisions clarifying matters or questions arising under this Resolution as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with this Resolution as thereto fore in effect.

1002. Supplemental Resolutions Effective With Consent of Bondholders. The provisions ion may also be modified or amended at any time or from time to time by a Resolution, subject to the consent of Bondholders in accordance with and subject to Article XI hereof, such Supplemental Resolution to become effective upon the Trustee of a copy thereof certified by an Authorized Officer.

1003. General. Provisions Relating to Series Resolutions and Supplemental Resolutions. This Resolution shall not be modified or amended in any respect except in accordance with and subject to the provisions of this Article X and Article XI. Nothing contained in this Article X or Article XI shall affect or limit the rights or obligations of the State to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of Section 904 hereof or the right or obligation of the State to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere in this Resolution 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 State when filed with the Trustee shall be accompanied by a Counsel's Opinion stating that such Series Resolution or Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of this Resolution, is authorized or permitted by this Resolution and is valid and binding upon the State and enforceable in accordance with its terms.

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 of this Resolution ant 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 Counsel's Opinion that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of this Resolution.

No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee or of any Paying Agent may be adopted by the State without the written consent of the Trustee or Paying Agent effected thereby.

## ARTICLE XI

### AMENDMENTS

#### 1101. Powers of Amendment

(A) Any modification or amendment of this Resolution and of the rights and obligations of the State and of the Holders of the Bonds hereunder, in any particular, maybe made by a Supplemental Resolution, with the written consent given as hereinafter provided in Section 1102 hereof of:

(1) the Holders of at least fifty-one percent (51%) in principal amount of the Bonds outstanding at the time such consent is given, or

(2) in case less than all of the several Series of Bonds then Outstanding are affected by the modification of amendment, the Holders of at least fifty-one percent (51%) in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given;

provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purposes of any calculation of Outstanding Bonds under this Section.

(B) No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or Sinking Fund Installment therefor, 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 the consent of the Holders of which is required to effect any such modification or amendment.

(C) For the purpose of this Section, a Series shall be deemed to be affected by a modification or amendment of this Resolution if the same adversely affects or diminishes the rights of Bonds of such Series. The Trustee may in its discretion determine whether or not with the foregoing provisions Bonds of any particular Series or maturity would be modified or amended by this Resolution and any such determination shall be inclusive on the State and all Holders of Bonds. The Trustee may receive an opinion including a Counsel's Opinion, as conclusive evidence as to whether Bonds of any series or maturity would be so affected by any such modification or amendment of this Resolution.

(D) Notwithstanding any provision of this Resolution to the contrary, upon the issuance of a Credit Facility to secure the Bonds and for the period in which such Credit Facility is outstanding, the issuer of such Credit Facility, for the purposes of Article XI, shall have the consent rights of the Holders of the Bonds Outstanding which are secured by such Credit Facility pertaining to the amendments or modification of this Resolution as are provided in the applicable Series Resolution.

1102. Consent of Bondholders. (A) The State may at any time adopt a Supplemental Resolution modifying a modification or amendment permitted by the provisions of Section 1101 to take effect when

and as provided in this Section. A copy of such Supplemental Resolution (or brief) or reference thereto in form approved by the Trustee) together with a request to their irrevocable consent thereto in form satisfactory to the Trustee, shall promptly be mailed by the State to the Bondholders and be published at least once a week for five weeks (but failure to mail such copy and request shall not affect the validity of all Resolution when consented to as in this Section provided).

(B) Such Supplemental Resolution shall not be effective unless and until:

(a) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 1101 and

(b) a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the State in accordance with the provisions of this Resolution, is authorized or permitted by this Resolution, and is valid and binding upon the State and enforceable in accordance with its terms, and

(2) a notice shall have been published as hereinafter in this Section 1102 provided.

(C) Each such consent shall be effective only if accompanied by proof of the holding at the consent of the Bonds with respect to which such consent is given, which proof shall be permitted by Section 1301 hereof. A certificate or certificates by the Trustee filed with it after it has examined such proof and that such proof is sufficient in accordance with ;shall be conclusive that the consents have been given by the Holders of the Bonds such certificate or certificates of the Trustee. Any such consent shall be binding upon the Bonds giving such consent and, anything in Section 1301 to the contrary upon any subsequent Holder of such Bonds and of any Bonds issued in exchange here or not such subsequent Holder thereof has notice thereof). At any time after the required percentages of Bonds shall have filed their consents to the Supplemental Trustee shall make and file with the State and the Trustee a written statement that such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed.

(D) At any time thereafter, notice, stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the State on a stated date, a Copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 1102, shall be given to Bondholders by the State by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 1102 provided and by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their costs to the Supplemental Resolution and the written statement of the Trustee hereinabove provided for is filed. The State shall file with the Trustee proof of the publication of such notice, and, if the same shall be mailed to Bondholders, of the mailing thereof. A transcript, consisting of the papers permitted by this Section 1102 to be filed with the Trustee, shall be proof of the matters Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the State, the Trustee, each Paying Agent and the Holders of all runs 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, 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 such purpose commenced within such thirty (30) day period; provided, however, that Trustee and any Paying Agent during such thirty (30) day period and any such further 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 resolution as they may deem expedient.

1103. Modifications by Unanimous Consent. The terms and provisions of this Resolution and obligations of the State and of the Holders of the Bonds may be modified or respect upon the adoption and filing with the Trustee by the State of a copy of a Resolution certified by an Authorized Officer and the consent of the Holders of all of Outstanding, such consent to be given as provided in Section 1102 hereof, except that no notice Bondholders either by mailing or publication shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of the Trustee or Paying Agents without the filing with the Trustee of his written assent thereto in addition to the consent of Bondholders.

1104. Mailing and Publication. (1) Any provision in this Article for the mailing of a notice or other document to Bondholders shall be fully complied with if it is mailed postage prepaid (i) to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the Sate, and (ii) to the Trustee.

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

1105. Exclusion of Bonds. Bonds owned or held by or for the account of the State shall not be deemed Outstanding for the purpose of consent or other action and the State shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Resolution. At the time of any consent or other action taken under this Resolution, the State shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

1106. Notation on Bonds. Bonds delivered after the effective date of any action taken as in Article X or this Article XI provided may bear a notation by endorsement or otherwise inform approved by the State and the Trustee as to such action, and in that case upon demand of the Holder of any Bond outstanding at such effective date and upon presentation of his Bond for such purpose at the corporate trust office of the Trustee suitable notation shall be made on such Bond by the y such action. If the State or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the State to conform to such action shall be prepared and upon demand of the Holder of any Bond then Outstanding shall be exchanged such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon such Bonds

## ARTICLE XII

### DEFAULTS AND REMEDIES

#### 1201. Events of Default

. Each of the following events is hereby declared and shall constitute an “event of default”; if

(a) the State shall default in the payment of the principal or Redemption Price or Sinking Fund Installment for, any Bond then and as the same shall become due whether at maturity or upon unconditional call for redemption; or

(b) the State shall default in the payment of any installment of interest on any Bonds; or

(c) the State shall fail or refuse to comply with the provisions of the Act or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part in this Resolution, any Series Resolution, any Supplemental Resolution, or in the Bonds contained, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Trustee or the Holders of not less than twenty-five percent (25%) in principal amount of Bonds Outstanding; or

(d) the occurrence of an “Event of Default” as defined in the Senior Bond

1202. Remedies. (A) Upon the happening and continuance of any event of default specified in paragraph (a) or (b) of Section 1201, the Trustee shall proceed, or upon the happening and continuance of any event of default specified in paragraph (c) or (d) of Section 1201 hereof, the Trustee may proceed, and upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds shall proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(1) by mandamus or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, including the right to require the State to carry out any covenant or agreement with Bondholders, including those contained in Section 910 hereof, and to perform its duties under the Act;

(2) by bringing suit upon the Bonds;

(3) by action or suit in equity, require the State to account as if it were the trustee of any express trust for the Holders of the Bonds; or

(4) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds.

(B) In the enforcement of any remedy under this Resolution, the Trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the State for principal, Redemption Price, interest or otherwise, under any provision of this Resolution or a Series Resolution or of the Bonds, and unpaid, with interest on overdue payments 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 un(ter such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce a judgment or decree against the State for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

1203. Priority of Payments After Default. In the event that the funds held by the Trustee and Paying Agents shall be insufficient for the payment of interest and principal or Redemption Price then due )n the Bonds, such times (other than funds held for the payment or redemption of particular Bone which have thereto fore become due at maturity or by call for redemption) and any other moneys received or collected by the Trustee acting pursuant to the Act and this Article XII, after making provisions for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Bonds, and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under this Resolution, shall be applied as follows:

(a) Unless the principal of all of the Bonds shall have become due and payable,

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

(b) If the principal of all of the Bonds shall have become due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without prefer, race or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

The provisions of this Section 1204 are in all respects subject to the provisions of Section 803 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 money becoming available for such application in the future; the deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the State, to any Bondholder 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 for the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution 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 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 for the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any unpaid coupon or any Bond unless such coupon or such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

1204. Termination of Proceedings. In case any proceeding taken by the Trustee on account default shall have been discontinued or abandoned for any reason, then in every state, the Trustee and the Bondholders shall be restored to their former positions and powers, respectively, and all rights, remedies, powers and duties of the Trustee shall under no such proceeding had been taken.

1205. Bondholders' Direction of Proceeding. Anything in this Resolution to the contrary, the Holders of the majority in principal amount of the Bonds then Outstanding right by an instrument or concurrent instruments in writing executed and delivered to direct the method of conducting all remedial proceedings to be taken by the Trustee, provided that such direction shall not be otherwise than in accordance with law or the his Resolution, and that the Trustee shall have the right to decline to follow any such direction in the opinion of the Trustee would be unjustly prejudicial to Bondholders not direction.

1206. Limitation on Rights of Bondholders. No Holder of any Bond shall have any right to sue, action, mandamus or other proceeding in equity or at law hereunder, or for the enforcement of any right under this Resolution or any right under law unless such have given to the Trustee written notice of the event of default or breach of duty on which such suit, action or proceeding is to be taken, and unless the Holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then Outstanding shall have request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under the law or to institute such proceeding in its 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 the Trustee shall have refused or neglected to comply with such request within a and such notification, request and offer of indemnity are hereby declared in every option of the Trustee, to be conditions precedent to the execution of the powers under this Resolution or for any other remedy hereunder or under law. It is understood and intended more Holders of the Bonds hereby secured shall have any right in any manner or their action to affect, disturb or prejudice the security of this Resolution, or to act hereunder or under law with respect to the Bonds or this Resolution, except in the provided, and that all



proceedings at law or in equity shall be instituted, had and the manner herein provided and for the benefit of all Holders of the Outstanding the foregoing provisions of this Section or any other provisions of this obligation of the State to pay the principal or Redemption Price of and interest on e respective Holders thereof at the respective due dates thereof shall be absolute and mt solely from the sources pledged under the Resolution, and nothing herein shall the right of action, which is absolute and unconditional, of such Holders to enforce such payment.

Anything to the contrary notwithstanding contained in this Section 1206, or any other provision of this Resolution, each Holder of any Bond by his acceptance thereof shall be deemed to it any court in its discretion may require, in any suit or the enforcement of any right or remedy under this Resolution or any Series Resolution, or in any suit against the Trustee for any omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay reasonable costs of such suit, and that such court may in its discretion assess reasonable attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this agreement shall not apply to any suit instituted by any Bondholder for the enforcement of the payment of the principal or Redemption Price of or interest on any Bond on or after the respective due date thereof expressed in such Bond.

1207. Possession of Bonds by Trustee Not Required. All rights of action under this ander any of the Bonds, enforceable by the Trustee, may be enforced by it without the any of the Bonds or the production thereof on the trial or other proceeding relative ty such suit, action or proceeding instituted by the Trustee shall be brought in its name of all the Holders of such Bonds, subject to the provisions of this Resolution.

1208. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Holders of the Bonds 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 any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

1209. No Waiver of Default. No delay or omission of the Trustee or of any Holder of the Bonds 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 herein; and every power and remedy given by this Resolution to the Trustee and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

1210. Notice of Event of Default. The Trustee shall give to the Bondholders notice of each event of default hereunder known to the Trustee within ninety (90) 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 that, except in the case of default in the payment of the principal or Redemption Price of or interest on any of the Bonds, or in the making of any payment required to be made into the D if and so long directors or res[ notice is in the Trustee by and addresses c by the Trustee; that purpose Debt Service Reserve Fund, the Trustee shall be protected in withholding such notice as the board of directors, the executive committee, or a trust committee of the responsible officers of the Trustee in good faith determines that the withholding of such interests of the Bondholders. Each such notice of event of default shall be given by mailing written notice thereof: (1) to all registered Holders of Bonds, as the names f such

Holders appear upon the books for registration and transfer of Bonds as kept 2) to such Bondholders as have filed their names and addresses with the Trustee for (3) to such other persons as is required by law.

1211. Credit Facility Provider Direction of Proceedings. Anything in this Resolution to the notwithstanding, the provider of a Credit Facility with respect to a certain principal amount en Outstanding shall have the rights of the Holders of Bonds Outstanding which it to any Series Resolution to direct the method of conducting all remedial be taken by the Trustee on behalf of such Holders of Bonds Outstanding; provided shall not be otherwise than in accordance with law or provisions of this any Series Resolution and further provided that such direction in the opinion of the be unjustly prejudicial to other Bondholders not parties to such direction.

## ARTICLE XIII

### EXECUTION OF INSTRUMENTS BY BONDHOLDERS AND PROOFS OF OWNERSHIP OF BONDS

1301. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Resolution to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Bondholders in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the holding and ownership of Bonds shall be sufficient for any purpose of this Resolution (except as otherwise herein provided), if made in the following manner:

The fact and date of the execution by any Bondholder or his attorney or agent of any such commitment and of any instrument appointing any such attorney or agent, may be proved by delivery of a certificate, which need not be acknowledged or verified, of an officer of any bank, trust company, or other depository, or of any notary public, or other officer authorized to take acknowledgments. Where any such instrument is executed by an of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof authority.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it that the Trustee may accept any other evidence of the matters herein stated which may seem sufficient. Any request or consent of the Holder of any Bond shall bind every future Holder of the same Bond in respect of anything done or suffered to be done by the State, the Trustee Agent in pursuance of such request or consent.

## ARTICLE XIV

### DEFEASANCE

1401. Defeasance. (A) If the State shall pay or cause to be paid to the Holders of all Bonds then Outstanding, the principal or Redemption Price, if any, and interest to become due thereon, at the manner stipulated therein and in the Resolution, then, at the option of the State, instrument in writing signed by an Authorized Officer and delivered to the Trustee, Agreements and other obligations of the State to the Bondholders shall be discharged n such event, the Trustee shall, upon the request of the State, execute and deliver to :h instruments as may be desirable to evidence such discharge and satisfaction and shall pay over or deliver to the State all money, securities and funds held by them pursuant to the Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(B) Bonds or interest installments for the payment or redemption of which moneys or have been set aside and shall be held in trust by the Fiduciaries (through deposit by the State of

funds for such payment or redemption or otherwise) at the maturity or redemption date be deemed to have been paid within the meaning and with effect expressed in this Section. All Outstanding Bonds of any Series shall prior to the maturity or date thereof be deemed to have been paid within the meaning and with the effect Subsection A of this Section if (1) in case any of said Bonds are to be redeemed on any their maturity, the State shall have given to the Trustee in form satisfactory to it instructions to give notice of redemption of such Bonds on said date as provided in Article VI of the Resolution of such Bonds, (2) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Obligations, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (3) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the State shall have given the Trustee in form satisfactory to it irrevocable instructions to publish, as soon as practicable, at least twice at an interval of not less than seven days between publications, in Authorized Newspapers a notice to the Holders of such Bonds that the deposit required by (2) 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 or Redemption Price, if applicable, on said Bonds. Neither Investment Obligations or moneys deposited with the Trustee pursuant to this Section or principal or interest payments on any such Investment Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest in said Bonds; provided that any cash received from such principal or interest payments on such Investment Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Investment Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due in said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the State, as received by the Trustee, free and clear of any trust, lien or pledge. For the purposes of this Section, Investment Obligations shall mean and include only such obligations as are described in clause (i) of the definition of "Investment Obligations" in Section 101 hereof.

(C) Anything in the Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds or coupons which remain unclaimed for six years after the date when such Bonds have become due and payable, either at their stated maturity date or by call for earlier redemption, if such moneys were held by the Fiduciary at such date or for six years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, at the written request of the State, be repaid by the Fiduciary to the State, as its absolute property and free from trust, and the same hereupon be released and discharged with respect thereto and the Bondholders shall be held harmless for the payment of such Bonds; provided, however, that before being required to make payment to the State, the Fiduciary shall, at the expense of the State, cause to be published at least twice, at an interval of not less than seven days between publications, in authorized newspapers, a notice that said moneys remain unclaimed and that, after a date named in which date shall not be less than 30 days after the date of the first publication of such notice of such moneys then unclaimed will be returned to the State.

## ARTICLE XV

### MISCELLANEOUS

1501. Preservation and Inspection. All documents received by the Trustee or under the provisions of this Resolution or any Series Resolution shall be retained in and shall be subject at all reasonable times to the inspection of the State, the Paying Agent and, or after written request received by the Trustee at least five nor to the date of inspection, by any Holder of five percent (5%) in principal amount of Outstanding Bonds and their agents and representatives, any of whom may make copies thereof.

1502. Parties of Interest. Nothing in this Resolution or in any Series Resolution adopted provisions hereof, expressed or implied, is intended to or shall be construed to confer to any person or party other than the State, Trustee, Paying Agents, the Holders of any provider of a Credit Facility (provided that the participation of such provider of a was contemplated in a Series Resolution) any rights, remedies or claims under or by resolution or any Series Resolution or any covenants, condition or stipulation thereof; and all covenants, stipulations, promises and agreements in this Resolution and any Series Resolution contained by or on behalf of the State shall be for the sole and exclusive benefit of the State, Trustee and Paying Agents and the Holders from time to time of the Bonds.

1503. No Recourse Under Resolution or on Bonds. All covenants, stipulations, promises, agreements and obligations of the State contained in this Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the State and not of any member, officer or employee of the State in his individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claim based thereon or only this Resolution against any member, officer or employee of the State or any natural person executing the Bonds.

1504. Severability. If any one or more of the covenants, stipulations, promises, agreements or obligations provided in this Resolution on the part of the State, Trustee or any Paying Agent to be performed sh mid be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, agreement or agreements, obligation or obligations 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 of this Resolution.

1505. Heading. Any headings preceding the texts of the several Articles and Sections thereof, and any table of contents or marginal notes appended to copies hereof, shall be solely convenience of reference and shall not constitute a part of this Resolution, nor shall they affect its meaning, construction or effect.

1506. Conflict. All resolutions or part of resolutions or other proceedings of the State in conflict herewith be and the same are repealed insofar as such conflict exists.

1507. Effective Date. This Resolution shall take effect immediately upon its adoption.