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**RESTATED BOND RESOLUTION**

**Providing for the Issuance of**

**COMMONWEALTH MORTGAGE BONDS**

**of the**

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**

**and for Rights of the Holders Thereof**

**Adopted September 21, 2004  
Effective Date as Determined Herein**

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**SUPPLEMENTAL BOND RESOLUTION AMENDATORY OF AND SUPPLEMENTAL TO A  
RESOLUTION PROVIDING FOR THE ISSUANCE OF COMMONWEALTH MORTGAGE  
BONDS OF THE VIRGINIA HOUSING  
DEVELOPMENT AUTHORITY AND FOR THE RIGHTS OF THE HOLDERS THEREOF**

September 21, 2004

**WHEREAS**, the Virginia Housing Development Authority has adopted on July 15, 1986, its resolution entitled "A Resolution Providing for the Issuance of Commonwealth Mortgage Bonds of the Virginia Housing Development Authority and for the Rights of the Holders Thereof" (such resolution, as amended and supplemented prior to the effective date hereof, is referred to as the "1986 Amended Resolution"); and

**WHEREAS**, Section 803 of the 1986 Amended Resolution permits the adoption by the Authority of supplemental bond resolutions but provides that no such resolution shall be effective unless (1) no Bond delivered by the Authority prior to the adoption of such resolution remains Outstanding at the time it becomes effective or (2) such resolution is consented to by or on behalf of the Owners of at least sixty per centum (60%) of the Bond Obligation at the time such consent is given.

**NOW, THEREFORE BE IT RESOLVED BY THE COMMISSIONERS OF THE VIRGINIA HOUSING DEVELOPMENT AUTHORITY**, that the 1986 Amended Resolution be further amended, supplemented and restated in its entirety as follows:

**ARTICLE I**

**DEFINITIONS, DETERMINATIONS, SECURITY AND INTERPRETATION**

SECTION 101. *Definitions.* In the Bond Resolution, unless a different meaning clearly appears from the context, the following definitions shall apply:

"1986 Amended Resolution" means the resolution adopted by the Authority on July 15, 1986, entitled "A Resolution Providing for the Issuance of Commonwealth Mortgage Bonds of the Virginia Housing Development Authority and for the Rights of the Holders Thereof", as amended and supplemented prior to the effective date of this Restated Bond Resolution.

"Act" means the Virginia Housing Development Authority Act, being Chapter 1.2 of Title 36 of the Code of Virginia of 1950, as heretofore and hereafter amended.

"Asset" means any Mortgage Loan, Authority Property, Investment Obligation, Revenue, and, to the extent subject to the pledge or lien of the Bond Resolution or the 1986 Amended Resolution as of the effective date of this Restated Bond Resolution or thereafter, any cash, Exchange Agreement, Enhancement Agreement or Other Financial Agreement. Funds and investments on deposit in any Payment Account and Defeasance Obligations in any Defeasance Account are not Assets.

"Authority" means the Virginia Housing Development Authority, a political subdivision of the Commonwealth, and its successors and assigns.

"Authority Designations" means the one or more designations given to a Bond or Bonds as set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations or such other designations as may be deemed necessary or convenient by an Authorized Officer or by the Trustee with the consent of an Authorized Officer.

"Authority Property" means real property and improvements thereon or an ownership share in a cooperative housing association or a leasehold interest under a lease and any personal property attached to or used in connection with any of the foregoing which, as of the effective date of this Restated Bond Resolution or thereafter, is owned by the Authority and is either financed pursuant to the Bond Resolution or the 1986 Amended Resolution or acquired by the Authority by purchase or foreclosure of a Mortgage Loan or by deed in lieu thereof.

"Authorized Denominations" means the principal or Maturity Amount denominations authorized for a Bond or Bonds as set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations.

"Authorized Officer" means the Chairman, Vice Chairman, Executive Director, Managing Director of Finance and Administration, Finance Director, General Counsel, any functionally equivalent successor position to any of the aforementioned positions but which bears a different title, or any other person authorized by resolution of the Authority to act as an Authorized Officer hereunder.

"Bond" or "Bonds" means any bond or bonds, as the case may be, authorized and issued pursuant to the Bond Resolution or the 1986 Amended Resolution.

"Bond Amount" means the one or more payments of principal and interest, including any Compounded Amount, Purchase Price, Redemption Price or Sinking Fund Installment, if applicable, due and payable from time to time with respect to a Bond from its date of issuance to its maturity, tender or redemption date, or any payment required to be made by the Authority pursuant to an Exchange Agreement, Enhancement Agreement or Other Financial Agreement to the extent such payment thereunder is payable from Assets.

"Bond Limitations Resolution" means a resolution adopted by the Authority setting forth the limitations required by Section 201(B) and such other limitations and matters as may be deemed appropriate by the Authority.

"Bond Obligation" means, as of a specific date of calculation, the aggregate of (1) all interest due or accrued on Outstanding Bonds, (2) all unpaid principal on Outstanding Bonds, (3) the amount of the payment, if any, the Authority would be obligated to make on any Exchange Agreement payable from Assets if such Exchange Agreement were terminated on such date of calculation, and (4) all amounts owed by the Authority with respect to any Enhancement Agreement or Other Financial Agreement payable from Assets.

"Bond Resolution" means the 1986 Amended Resolution, as amended, supplemented and restated by this Restated Bond Resolution and as the same may from time to time be amended, modified or supplemented by one or more Supplemental Bond Resolutions, Bond Limitations Resolutions or Written Determinations.

"Business Day" means any day other than a Saturday, Sunday or legal holiday on which banking institutions in the Commonwealth, or the state in which Principal Office of the Trustee is located, are authorized to remain closed and other than any day on which the New York Stock Exchange or a security depository with respect to a Bond is closed.

"Capital Appreciation Bond" means a Bond the interest on which is payable only at maturity or prior redemption as a component of its Compounded Amount.

"Chairman" means the Chairman of the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor code, including the applicable temporary, proposed and permanent regulations, revenue rulings and revenue procedures.

"Commonwealth" means the Commonwealth of Virginia.

"Compounded Amount" means, with respect to a Capital Appreciation Bond, a Delayed Interest Bond or any other Bond so determined in or pursuant to the applicable Written Determinations or Prior Written Determinations, the sum of principal and accrued interest with respect to such Bond, as of any date, as set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations.

"Counsel" means any attorney or firm of attorneys (including, without limitation, the General Counsel) designated by the Authority to render any Counsel's Opinion.

"Counsel's Opinion" means an opinion signed by Counsel.

"Current Interest Paying Bond" means a Bond on which interest is not compounded and which is payable at the interest rate or rates and on the dates set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations.

"Dated Date" means the date on which a Bond initially begins to accrue interest as set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations.

"Defeasance Obligation" means cash, any direct obligation of the United States of America, any direct federal agency obligation the timely payment of the principal of and the interest on which are fully and unconditionally guaranteed by the United States of America, and any Certificates of Accrual on Treasury Securities or Treasury Investors Growth Receipts; provided, however, that the foregoing are not subject to redemption, call or prepayment, in whole or in part, prior to their respective maturity dates.

"Defeasance Account" means a trust account or other financial arrangement whereby the Trustee holds Defeasance Obligations in trust for the payment of all Bond Amounts due and payable or to become due and payable at maturity or upon earlier redemption with respect to one or more Bonds and all fees and expenses of the Trustee with respect to the administration of such trust account or other financial arrangement.

"Delayed Interest Bond" means a Bond the interest on which accrues and compounds, from its Dated Date and at an interest rate and compounding interval specified in or determined pursuant to the applicable Written Determinations or Prior Written Determinations, to a date specified in such applicable Written Determinations or Prior Written Determinations on which date such Bond shall reach its full Compounded Amount, and with respect to which, from and after such date, interest on such Bond is to be payable on such Compounded Amount on the dates and at the interest rate specified in or determined pursuant to such applicable Written Determinations or Prior Written Determinations.

"Derivative Product" means any instrument of finance entered into by the Authority, the value of which is derived from or based upon any underlying Bond.

"DTC" means The Depository Trust Company.

"Enhancement Agreement" means an agreement with one or more third parties which sets forth the terms and conditions upon which such third party or parties will provide for the payment of all or a portion of one or more Bond Amounts with respect to a Bond or a payment to the Authority. The obligations of and any receipts by the Authority with respect to such Enhancement Agreement shall or shall not, as and to the extent set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations or an Officer's Certificate, be payable from Assets or constitute an Asset, as applicable.

"Event of Default" means any of the events set forth in Section 902.

"Exchange Agreement" means an agreement with one or more third parties which sets forth the terms and conditions upon which such third party or parties and the Authority will exchange or make payments to the other party or parties. The obligations of and any receipts by the Authority with respect to such Exchange Agreement shall or shall not, as and to the extent set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations or an Officer's Certificate, be payable from Assets or constitute an Asset, as applicable.

"Executive Director" means the Executive Director of the Authority.

"Expense" means any expenditure payable or reimbursable by the Authority which is directly or indirectly related to the authorization, sale, delivery, issuance, remarketing, enhancement, monitoring, purchase, redemption or trusteeship of any Bond or Asset.

"External Trustee" means a Trustee other than the Authority.

"Federal Funds Rate" means the interest rate on any given date charged by banks with excess bank reserves on deposit at a Federal Reserve Bank to other banks needing overnight loans to meet bank reserve requirements.

"Finance Director" means the Finance Director of the Authority.

"Fiscal Year" means the period of twelve calendar months ending with June 30 of any year, unless some other time period is otherwise designated in or determined pursuant to the applicable Written Determinations or Prior Written Determinations.

"General Counsel" means the General Counsel of the Authority.

"Interest Payment Date" shall mean any date, as set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations, on which interest is due and payable with respect to a Bond.

"Investment Obligation" means any of the following acquired or pledged, as of the effective date of this Restated Bond Resolution or thereafter, pursuant to the Bond Resolution or the 1986 Amended Resolution or pursuant to an Officer's Certificate, except to the extent limited by any amendments to the Act:

- (A) direct general obligations of the United States of America;
- (B) direct obligations of any state of the United States of America or any political subdivision thereof or the District of Columbia bearing a Rating;
- (C) obligations the payment of the principal of and interest on which are unconditionally guaranteed by the United States of America;
- (D) obligations which bear a Rating and the payment of the principal of and interest on which are unconditionally guaranteed by any state of the United States of America or any political subdivision thereof or the District of Columbia;
- (E) bonds, debentures, participation certificates or notes or other obligations (including asset backed securities) issued by any one or any combination of the following: Federal Financing Corporation, Federal Farm Credit Banks (Bank for Cooperatives and Federal Intermediate Credit Banks), Federal Home Loan Bank System, Federal National Mortgage Association, World Bank, Export-Import Bank of the United States, Student Loan Marketing Association, Farmer's Home Administration, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Inter-American Development Bank,

International Bank for Reconstruction and Development, Small Business Administration, Washington Metropolitan Area Transit Authority, Resolution Funding Corporation, Tennessee Valley Authority, or any other agency or corporation which has been or may hereafter be created by or pursuant to an Act of the Congress of the United States as an agency or instrumentality thereof the bonds, debentures, participation certificates or notes or other obligations (including asset backed securities) of which are unconditionally guaranteed by the United States of America or bear a Rating;

(F) certificates of deposit, banker's acceptances, investment contracts, and any interest-bearing time deposits which are issued by any member bank or banks of the Federal Reserve System or banks the deposits of which are insured by the Federal Deposit Insurance Corporation;

(G) Eurodollar time deposits and Eurodollar certificates of deposit the issuers of which have obligations which, at the time of acquisition of such deposits or certificates, bear a Rating;

(H) obligations, including investment contracts, of corporations which have obligations which, at the time of acquisition of such obligations including investment contracts, bear a Rating;

(I) any other investments which, at the time of acquisition thereof, bear a Rating and are legal investments for fiduciaries or for public funds of the Authority, the Commonwealth and/or its political subdivisions;

(J) repurchase agreements with respect to any of the other Investment Obligations; and

(K) any other investment (debt or equity), investment agreement, Exchange Agreement, Other Financial Agreement, swap contract, futures contract, forward contract or other obligation which, in the determination of an Authorized Officer, is a suitable investment hereunder, in light of the amount and timing of Bond Obligation payments, the amount of Assets, and the availability of monies to pay Bond Obligations as they become due, at the time of acquisition thereof.

"Managing Director of Finance and Administration" means the Managing Director of Finance and Administration of the Authority.

"Maturity Amount" means the Compounded Amount due and payable at maturity of a Capital Appreciation Bond, Delayed Interest Bond or any other similar type of Bond as set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations.

"Mortgage" means a mortgage deed, deed of trust, or other security instrument which secures a Mortgage Loan and which shall constitute a lien on real property and improvements thereon or on an ownership share in a cooperative housing association or on a leasehold interest under a lease and may also constitute a lien on or security interest in any personal property attached to or used in connection with any of the foregoing.

"Mortgage Loan" means each of the following financed or pledged, as of the effective date of this Restated Bond Resolution or thereafter, pursuant to the Bond Resolution or the 1986 Amended Resolution and the Act or pursuant to an Officer's Certificate: (1) a loan evidenced by a financial instrument or obligation secured by a Mortgage for financing the acquisition, construction, rehabilitation and/or ownership of single family residential housing as authorized by the Act, (2) an obligation, certificate or instrument for which such a loan secured by a Mortgage is the security or the source of payment, or (3) a participation or other ownership interest in either a loan described in (1) or an obligation, certificate or instrument described in (2) with another party or parties or with another source of funds of the Authority not pledged hereunder.

"Mortgagor" means the obligor or obligors on a Mortgage Loan.

"Officer's Certificate" means a certificate signed by an Authorized Officer.

"Official Statement" means one or more offering or reoffering documents prepared by the Authority which set forth the terms and conditions of the Bonds being offered or reoffered thereby and matters material thereto. Any reference in the Bond Resolution to "Offering Circular" shall be deemed to refer to such Official Statement.

"Other Financial Agreement" means any type of agreement or arrangement not otherwise referred to herein that is provided for in a Written Determinations or Prior Written Determinations. The obligations of and any receipts by the Authority with respect to such Other Financial Agreement shall or shall not, as and to the extent set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations or an Officer's Certificate, be payable from Assets or constitute an Asset, as applicable.

"Outstanding" means, when used with reference to Bonds and as of any particular date, all Bonds theretofore and thereupon being issued except (1) any Bond for which funds for the payment of all Bond Amounts due and payable or to become due and payable with respect to such Bond have been paid to the Owner thereof or are held in a Defeasance Account or Payment Account, and (2) any Bond in lieu of or in substitution for which another Bond or Bonds shall have been delivered. If an Officer's Certificate shall have been delivered in accordance with Section 304 with respect to a Bond that the Authority is the Owner thereof, such Bond does not cease to be Outstanding.

"Owner" means the party set forth in the Registration Books as the owner of a Bond or any other party due a Bond Amount.

"Payment Account" means any trust account or other financial arrangement with the Trustee in which payments made by the Authority to the Trustee with respect to Bond Amounts then due and payable are held in trust by the Trustee pending disbursement to the Owners thereof.

"Principal Payment Date" shall mean any date, as set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations, on which principal or Compounded Amount is due and payable with respect to a Bond.

"Principal Office" means the office so designated by the Trustee as its office for administering its duties with respect to the Bond Resolution.

"Prior Written Determinations" means any written determinations that, as of the effective date of this Restated Bond Resolution, have been made pursuant to any Series Resolution with respect to Bonds that are Outstanding on such effective date.

"Program" means the Authority's program of making or purchasing Mortgage Loans and financing Authority Property pursuant to the Bond Resolution.

"Purchase Contract" means any agreement, contract or other document or documents (including notices of sale and/or remarketing and the related bid form(s)) executed or accepted by the Authority which provides for the sale of Bonds, either at initial issuance or upon subsequent remarketing thereof.

"Purchase Price" means the purchase price, including accrued interest, of a Bond on a Tender Date as set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations.

"Rating" means an investment grade rating assigned by a nationally recognized rating agency to an Investment Obligation or, if such Investment Obligation is not rated, an investment grade rating assigned to the obligor or guarantor of such Investment Obligation.

"Record Date" means the date or dates as determined pursuant to Section 1104.

"Redemption Price" means the principal or Compounded Amount of a Bond or portion thereof to be redeemed plus the applicable redemption premium, if any, payable upon redemption thereof.

"Registration Books" means the records of the Trustee and the Authority which set forth the Owner of any Bond or any other party due a Bond Amount and such other information as is usual and customary in the securities industry or as specifically directed by the Authority.

"Restated Bond Resolution" means this resolution adopted by the Authority on September 21, 2004, amending and restating the 1986 Amended Resolution.

"Revenues" means all net proceeds from the sale or other disposition of any Bond or Asset, payments of principal of and interest on Mortgage Loans (including any moneys received by the Authority and applied to such principal and interest) and Investment Obligations, fees and penalties charged or assessed by the Authority with respect to a Mortgage Loan (excluding processing, financing, prepayment or other similar fees), income received by the Authority as owner of Authority Property (excluding such income to be applied to the payment of operating expenses or to be deposited into reserve or escrow funds for such Authority Property), and payments received with respect to an Enhancement Agreement, Exchange Agreement or Other Financial Agreement payable from Assets.

"Revenue Test" means that prior to effecting any proposed action subject to this Revenue Test, an Authorized Officer shall, based on such assumptions as such Officer shall deem reasonable (but without taking into account any future issuances of Bonds and any Assets derived therefrom, or any future execution of an Exchange Agreements, Enhancement Agreements or Other Financial Agreements payable from Assets), determine that, subsequent to the effecting of such action, the anticipated Revenues (including Revenues anticipated to be derived from any acquisition, sale, transfer, exchange, withdrawal or other application or prepayment of any Asset and taking into account any default in the payment of Revenues which such Authorized Officer reasonably expects) to be derived from all Assets which are to remain or anticipated to become subject to the lien or pledge of the Bond Resolution shall be at least sufficient to pay all Bond Amounts as such Bond Amounts are or are anticipated to become due and payable (by purchase, redemption, or otherwise).

"Serial Bonds" means the Bonds as so designated in or pursuant to the applicable Written Determinations or Prior Written Determinations.

"Series Resolution" means any series resolution (including any amendments thereto) which, as of the effective date of this Restated Bond Resolution, have been adopted pursuant to the 1986 Amended Resolution and pursuant to which Bonds are Outstanding as of the effective date of this Restated Bond Resolution.

"Sinking Fund Installment" means the amount of principal or Compounded Amount of any particular Term Bonds to be redeemed or retired prior to the maturity date of such Term Bonds all as set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations.

"Supplemental Bond Resolution" means any resolution of the Authority amending or supplementing the Bond Resolution adopted and becoming effective in accordance with the terms of Article VII on or after the effective date of this Restated Bond Resolution.

"Tax Covenant" means the covenant set forth in Section 504.

"Term Bonds" means the Bonds as so designated in or pursuant to the applicable Written Determinations or Prior Written Determinations.

"Tender Date" means any date on which a Bond is subject to tender to the Trustee or the Authority or any other party serving as tender agent for purchase as set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations.

"Tender Option Agreement" means an agreement under which any party offers a tender option on any Bonds.

"Trustee" means the trustee appointed by or pursuant to Article X.

"Vice Chairman" means the Vice Chairman of the Authority.

"Written Determinations" means one or more determinations made in writing by an Authorized Officer which sets forth those terms and conditions authorized by the Bond Resolution to be contained therein and such other terms and conditions as an Authorized Officer may deem appropriate and as shall not be inconsistent with the Bond Resolution and the applicable Bond Limitations Resolution. Any such Written Determinations may be amended by an Authorized Officer from time to time prior to the issuance of Bonds designated therein and may thereafter be amended as provided in Articles VII and VIII of the Bond Resolution. Any Written Determinations shall be subject to the conditions and limitations set forth in or determined pursuant to the applicable Bond Limitations Resolution.

Articles and Sections mentioned by number only are the respective Articles and Sections of the Bond Resolution so numbered.

The words "herein", "hereunder", "hereby", "hereto", "hereof", and any similar terms, refer to this Restated Bond Resolution; the term "heretofore" means before the date of adoption of this Restated Bond Resolution; and the term "hereafter" means after the date of adoption of this Restated Bond Resolution.

Words importing the masculine gender include the feminine and neuter genders.

Words importing persons include firms, associations and corporations.

Words importing the singular number include the plural number, and vice versa.

SECTION 102. *Headings.* Any headings, captions, or titles preceding the text of any Article or Section herein and the table of contents with respect to this Restated Bond Resolution are solely for convenience of reference and shall not constitute part of the Bond Resolution or affect its meaning, construction or effect.

SECTION 103. *Bond Resolution to Constitute Contract.* The Bond Resolution shall constitute a contract between the Authority, the Trustee and the Owners. The pledge made in the Bond Resolution and the provisions, covenants and agreements set forth in the Bond Resolution to be performed by or on behalf of the Authority shall be for the benefit, protection and security of the Owners. All of the Bonds and any Exchange Agreement, Enhancement Agreement or Other Financial Agreement payable from Assets, regardless of the time or times of their issuance, execution, or maturity, shall be of equal rank without preference, priority or distinction, except as otherwise expressly provided in or determined pursuant to a Supplemental Bond Resolution in accordance with Section 701 (8).

SECTION 104. *General Obligation.* The obligation of the Authority with respect to the payment of any Bond Amount shall be a general obligation of the Authority payable out of any of the Authority's revenues, moneys or assets, subject only to agreements heretofore or hereafter made with owners of Authority obligations other than the Owners pledging particular revenues, moneys or assets for the payment thereof or except as otherwise expressly provided in or determined pursuant to a Supplemental Bond Resolution in accordance with Section 701 (8).

SECTION 105. *Pledge of Assets.* Subject only to the right of the Authority to withdraw, transfer, sell, exchange or otherwise apply Assets in accordance with the provisions of the Bond Resolution, a pledge of Assets is hereby made to secure the payment of the Authority's obligations with respect to the Bond Resolution, including any and all Bond Amounts, except as otherwise expressly provided in or determined pursuant to a Supplemental Bond Resolution in accordance with Section 701 (8). A pledge of funds and investments in any Payment Account and Defeasance Obligations in any Defeasance Account is hereby made to secure the payment of the Authority's obligations (including any and all Bond Amounts) on the Bonds, any Enhancement Agreement, any Exchange Agreement and any Other Financial Agreement with respect to which such funds and investments and Defeasance Obligations are so deposited.

SECTION 106. *Assets Held in Trust.* Subject only to the right of the Authority to withdraw, transfer, sell, exchange or otherwise apply Assets in accordance with the provisions of the Bond Resolution, the Assets, regardless of their location or method of identification, are and shall be hereby held in trust for the purposes and under the terms and conditions of the Bond Resolution.

SECTION 107. *Authorization.* Each Authorized Officer is hereby authorized to prepare, distribute, execute and/or accept, and deliver on behalf of the Authority, and the Trustee is hereby authorized to execute and accept when applicable, such Purchase Contracts, Tender Option Agreements, Enhancement Agreements, Exchange Agreements, Other Financial Agreements and such other agreements, instruments, documents and certificates, and to do and perform such other acts, as may be deemed necessary or appropriate by such Authorized Officer to effect the sale, delivery, issuance, tender, remarketing, registration, transfer, exchange, purchase or redemption of any Bond or any Derivative Product or other instrument or agreement related thereto, and the acquisition, sale, transfer, exchange, withdrawal or other application of Assets, and to otherwise carry out the transactions authorized or contemplated by the Bond Resolution. The authorization set forth above with respect to any Exchange Agreement, any Derivative Product or any Other Financial Agreement not otherwise authorized by a Bond Limitations Resolution is conditioned upon the delivery, prior to any execution and delivery of any agreement related thereto, of an Officer's Certificate which states that the form and substance of such Exchange Agreement, Derivative Product or Other Financial Agreement has been discussed at a meeting of the Authority's Board of Commissioners at which a quorum of Commissioners were present.

SECTION 108. *Series Resolutions and Written Determinations.* Except as set forth below, nothing contained herein shall modify, supersede or otherwise affect the terms of the Series Resolutions or the terms of the Prior Written Determinations. The terms of the Series Resolutions and the Prior Written Determinations are hereby ratified and confirmed, are incorporated into this Restated Bond Resolution as though fully set forth herein, and shall remain in full force and effect, except as follows:

1. All funds and accounts established under or pursuant to the Series Resolutions or the Prior Written Determinations shall be governed by the terms of the Bond Resolution and shall not be subject to the terms of the Series Resolutions and the Prior Written Determinations;

2. All references in the Series Resolutions and the Prior Written Determinations to the covenant in the first sentence of Section 604 of the 1986 Amended Resolution or to the "Tax Covenant" as defined in the Series Resolutions shall be deemed to refer to the Tax Covenant as set forth in Section 504 of this Restated Bond Resolution;

3. The Debt Service Reserve Fund Requirement specified in each Series Resolution or each Prior Written Determinations shall be \$0; and

4. The Mortgage Loans which are Assets hereunder shall be governed by the provisions of the Bond Resolution and shall not be subject to the covenants, requirements, restrictions, limits and other provisions relating thereto in the Series Resolutions and the Prior Written Determinations, except as required to comply with the Tax Covenant in Section 504 of this Restated Bond Resolution.

Notwithstanding the foregoing exceptions, the covenants of the Authority in such Prior Written Determinations to deposit into Taxable Revenue Accounts (as established pursuant to the Series Resolutions) (i) funds in amounts equal to the outstanding principal balances of any Mortgage Loans that are delinquent by four consecutive monthly payments or are restructured by having delinquent payments added to their outstanding principal balances and (ii) proceeds from the purchase by financial institutions of Mortgage Loans in the event of any material breach of any of their representations or warranties to the Authority with respect to such Mortgage Loans shall remain in full force and effect, provided that the Authority may deposit such funds and proceeds in any other fund and account that is to be used for the payment of principal and interest on the Bonds that financed such Mortgage Loans.

Furthermore, notwithstanding the foregoing exceptions, the Authority may, in order to comply with the terms of the Series Resolutions or any of the Prior Written Determinations permitting the special redemption of Bonds issued pursuant thereto from excess Revenues and other moneys in the Revenue Fund, maintain the Revenue Fund established by the 1986 Amended Resolution until such Bonds shall not be Outstanding or until the Authority shall determine that such Bonds shall not thereafter be redeemed by special redemption, whichever is earlier, and during the time that the Revenue Fund is so maintained, the Authority shall comply with the requirements set forth in Section 504(A) of the 1986 Amended Resolution. Except for the requirements of Section 504(A) of the 1986 Amended Resolution, the Revenue Fund shall be governed by the terms of the Bond Resolution. Furthermore, during the time that the Revenue Fund is so maintained, the Authority shall maintain the Bond Payment Fund established pursuant to the 1986 Amended Resolution as shall be necessary to comply with the requirements of Section 504(A) of the 1986 Amended Resolution. The Bond Payment Fund shall be governed by the terms of the Bond Resolution. The Authority may maintain each Mortgage Loan Account and Mortgage Loan Purchase Account established pursuant to the Series Resolution or the Prior Written Determinations. Each such Mortgage Loan Account and Mortgage Loan Purchase Account so maintained shall be governed by the terms of the Bond Resolution. The Authority may transfer Assets in the Revenue Fund and in each such Mortgage Loan Account and Mortgage Loan Purchase Account as may be necessary or appropriate to effect any special redemptions in accordance with the terms of the Series Resolutions and the Prior Written Determinations. In lieu of maintaining the foregoing Funds and Accounts, the Authority may establish and comply with such accounting practices and procedures that will ensure that any such special redemptions of Bonds shall be effected in the same or lesser amount and on the same or later date as could have been effected if such Funds and Accounts had been maintained.

SECTION 109. *Parties Interested Herein.* Nothing in the Bond Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or party, other than the Authority, the Trustee and the Owners, any right, remedy or claim under or by reason of the Bond Resolution or any covenant, stipulation, obligation, agreement or condition therein. All the covenants, stipulations, obligations, promises and agreements in the Bond Resolution contained by and on behalf of the Authority, shall be for the sole and exclusive benefit of the Authority, the Trustee and the Owners.

SECTION 110. *Law Applicable.* The laws of the Commonwealth shall be applicable to the interpretation and construction of the Bond Resolution, except to the extent that the laws of another jurisdiction are determined in or pursuant to the applicable Written Determinations or Prior Written Determinations to be applicable.

SECTION 111. *Severability of Invalid Provision.* If any one or more of the provisions, covenants or agreements in the Bond Resolution should be contrary to law, then such provision or provisions, covenant or covenants, agreement or agreements, shall be deemed separable from the remaining provisions, covenants and agreements, and shall in no way affect the validity of the other provisions of the Bond Resolution.

## ARTICLE II

### BONDS

SECTION 201. *Authorization.* (A) Bonds are hereby authorized to be issued from time to time by the Authority in such amounts and upon such terms and conditions as shall be set forth in or determined pursuant to the Written Determinations approved by an Authorized Officer pursuant to Section 301. Bonds so issued shall comply with the limitations prescribed in the applicable Bond Limitations Resolution.

(B) Each Bond Limitations Resolution shall specify, or set forth the manner for determining, the following limitations with respect to Bonds issued pursuant thereto:

- (1) The maximum principal amount of Bonds to be issued or to be Outstanding subject to such Bond Limitations Resolution;
- (2) The latest date by which the Authority may enter into the one or more Purchase Contracts providing for the sale of Bonds;
- (3) The minimum purchase price for the Bonds upon the issuance thereof; and
- (4) Any such other matters as the Authority deems appropriate.

SECTION 202. *Issuance and Delivery.* Subject to the limitations in the applicable Bond Limitations Resolution, Bonds may be delivered, against payment therefor, to the purchaser(s) and/or underwriter(s) thereof in the principal amounts or Maturity Amounts thereof on the date(s) and at the time(s), all as set forth in or determined pursuant to the applicable Written Determinations and upon compliance by the Authority with the requirements of the Bond Resolution.

## ARTICLE III

### TERMS AND PROVISIONS OF BONDS

SECTION 301. *Terms.* (A) Subject to the limitations set forth in or determined pursuant to the applicable Bond Limitations Resolution, the terms and conditions of the Bonds issued pursuant hereto shall be set forth in or determined pursuant to the applicable Written Determinations. The Written Determinations for any Bonds shall specify the Bond Limitations Resolution which is applicable to such Bonds and shall include, in addition to other matters, all matters applicable to such Bonds which are required or specified by the Bond Resolution or the Bond Limitations Resolution to be included therein. Subject to the provisions of Section 202, the Bonds shall be sold to such purchaser(s) and/or underwriter(s) and at such prices(s) as shall be set forth in or determined pursuant to the applicable Written Determinations and on such other terms and conditions as shall be set forth in or determined pursuant to the applicable Purchase Contract.

(B) Such Written Determinations or other agreement executed by the Authority may include or provide for, without limitation, any such provisions governing or relating to the use and/or investment of assets of the Authority other than Assets as may be deemed by an Authorized Officer to be necessary or appropriate in order to obtain, provide or assure a source of funds for the payment of any Bond Amount.

SECTION 302. *Medium of Payment, Form and Execution.* (A) Each Bond Amount shall be payable to the Owner thereof by check, draft, electronic funds transfer or other means determined by an Authorized Officer (which payment methodology can vary depending upon the amount of the Bond Amount, the Owner of such Bond Amount and the usual and customary practices in the securities industry as determined by an Authorized Officer) in any coin or currency of the United States of America which at the

time of payment is legal tender for the payment of public and private debts, unless otherwise set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations.

(B) The Bonds shall be issued in the form of fully registered Bonds or such other form as may be set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations. In the event that the Bonds are not issued in the form of fully registered Bonds and notwithstanding any inconsistency with the provisions of Section 302 (E) and Sections 303 and 304, such Bonds shall be registered, issued, exchanged, transferred, redeemed, replaced, surrendered and cancelled in such manner as set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations.

(C) All or any portion of the Bonds may be owned through the facilities of one or more security depositories as set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations. Notwithstanding any inconsistency with the provisions of Section 302 (E) and Sections 303 and 304, the Authority and the Trustee are each hereby authorized to execute and deliver any agreement, to conform to any operational procedure, or to take such other action which may be necessary or convenient to make the Bonds eligible for ownership through such security depositories. Furthermore and notwithstanding anything in Section 605 to the contrary, if any Bonds to be redeemed are then available only through the facilities of a security depository, any notice of redemption to the Owners thereof shall be given at such time prior to the date of redemption as shall be set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations and in the manner and containing such information as shall be required by such security depository in order to effect the redemption on the designated date.

(D) Unless otherwise set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations, the Bonds shall bear the title "Commonwealth Mortgage Bonds" and may bear such additional Authority Designations as set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations or as may be deemed necessary or convenient by an Authorized Officer or by the Trustee with the consent of the Authority.

(E) The Bonds shall be in such form as shall be determined by an Authorized Officer to be appropriate to describe or reference the terms thereof and to comply with the Act. Unless otherwise set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations, each Bond shall be issued by the Authority without any manual or facsimile signature of an Authorized Officer but shall be authenticated by the Trustee. Only Bonds bearing a certificate of authentication duly executed by the Trustee shall be entitled to any security, right or benefit pursuant to the Bond Resolution.

SECTION 303. *Registration.* (A) So long as any Bond Amount with respect to a Bond remains payable or is to become payable, the Trustee shall maintain the Registration Books, shall permit the exchange and transfer of ownership of Bonds pursuant to the terms of the Bond Resolution and such other reasonable regulations as it may prescribe without objection thereto by the Authority, and shall make all necessary provisions to permit the exchange and transfer of Bonds at the Principal Office of the Trustee.

(B) The Authority and the Trustee may deem and treat the party in whose name any Bond shall be registered upon the Registration Books on an applicable Record Date as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of any Bond Amount due and payable during the time period such person is the Owner of said Bond, and for all other purposes, and all such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability with respect to such Bond to the extent of the Bond Amount(s) so paid, and neither the Authority nor the Trustee shall be affected by any notice to the contrary. The Authority agrees, to the extent permitted by law, 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 Owner.

SECTION 304. *Exchange, Transfer, Surrender and Cancellation.* (A) Each Bond shall be negotiable as provided in the Act, and shall be exchangeable and transferable only upon the Registration Books upon (1) surrender thereof to the Trustee at the Principal Office, together with a written instrument of exchange or transfer satisfactory to the Trustee, or (2) the satisfaction of such other conditions as may be established by the Trustee (without objection thereto by the Authority) or as may be set forth in or determined pursuant to the Bond Resolution. For any such exchange or transfer of any such Bond, the Trustee shall issue in the name of the exchangee or transferee a new Bond or Bonds of the same aggregate principal or Maturity Amount, Authority Designations, terms (e.g. interest rate) and maturity as the surrendered Bond and shall execute and deliver such Bond or Bonds in accordance with the provisions of the Bond Resolution. For every such exchange or transfer of Bonds, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

(B) In case any Bond shall become mutilated or be destroyed, stolen or lost, the Trustee shall deliver a new Bond of like Authority Designations, terms (e.g. interest rate), maturity, and principal or Maturity Amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon (1) surrender thereof to the Trustee at the Principal Office, or (2) the satisfaction of such other conditions as may be established by the Trustee (without objection thereto by the Authority) or as may be set forth in or determined pursuant to the Bond Resolution, or in lieu of and in substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to it and complying with such other reasonable requirements as the Trustee may prescribe (without objection thereto by the Authority) and paying such expenses as the Trustee and the Authority may incur in connection therewith.

(C) The Trustee may, and at the direction of the Authority shall, require the surrender of any Bond upon its maturity or redemption as a condition to the payment of the principal or Maturity Amount or any portion thereof.

(D) If less than all of a Bond is to be redeemed, the Trustee shall deliver, upon (1) surrender thereof to the Trustee at the Principal Office or (2) the satisfaction of such other conditions as may be established by the Trustee (without objection thereto by the Authority) or as may be set forth in or determined pursuant to the Bond Resolution, Bonds of similar Authority Designations, terms (e.g. interest rate) and maturity in any of the Authorized Denominations for the portion of the principal or Maturity Amount of the Bond so surrendered which is not to be so redeemed.

(E) Any Bond surrendered to the Trustee pursuant to this Section shall be immediately cancelled by the Trustee. Any Bond surrendered to the Trustee for which all Bond Amounts with respect thereto shall have become due and payable (by maturity, redemption, tender or otherwise) and for which the Authority shall have met all of its obligations under the Bond Resolution with respect to the payment thereof shall be immediately cancelled by the Trustee. Any Bond purchased by the Authority shall be immediately cancelled, unless the Authority shall deliver an Officer's Certificate to the Trustee stating the Authority's intent that any Bond so purchased by the Trustee shall remain Outstanding subject to any such terms and conditions as may be set forth in such Officer's Certificate.

#### ARTICLE IV

##### APPLICATION OF ASSETS

SECTION 401. *Payment of Bond Amounts.* (A) On any day on which a Bond Amount is due and payable (or, if such day is not a Business Day, the next Business Day thereafter), the Authority shall pay such Bond Amount from Assets or other funds of the Authority to either, at the Authority's option, the Trustee or to the Owner of such Bond Amount. No such payment shall be made unless the Authority shall pay, in full, all Bond Amounts due and payable on such day. Any such payment to the Trustee shall be in the form of cash or Investment Obligation which is a cash equivalent, and any such payment to the Owner shall be made in accordance with Section 302 (A). In the case of a payment to the Trustee, the Trustee

shall make payment of such Bond Amount to the Owner thereof in accordance with Section 302 (A). Any such payment to the Trustee shall, pending disbursement thereof to the Owner thereof, be deposited into a Payment Account.

(B) Funds and investments on deposit in any Payment Account shall not be Assets and shall be unavailable for payment to Owners other than the Owners of the Bond Amounts with respect to which such funds and investments were deposited by the Authority or the Trustee in such Payment Account, and the Owners of any such Bond Amounts shall no longer have a lien on or the benefit of a pledge of the Assets with respect to such Bond Amounts but shall have a lien on, and the benefit of the pledge of, the funds and investments in such Payment Account and shall look only to such funds and investments for payment.

(C) No funds and investments shall be withdrawn from any Payment Account other than to pay the applicable Bond Amounts. If funds and investments remain in a Payment Account subsequent to the payment of all the applicable Bond Amounts, such funds and investments shall be transferred to the Authority free of any lien or pledge of the Bond Resolution.

SECTION 402. *Withdrawals and Transfers.* (A) On any date, the Authority may either directly or by direction to the Trustee (1) apply Assets to make, purchase, finance or refinance Mortgage Loans, to acquire, rehabilitate, construct, finance or refinance Authority Property, to purchase Investment Obligations and make any required payments associated therewith, to make payments pursuant to any agreement associated, related or entered into with respect to the Bonds, to make payments to any party to comply with the covenant in Section 504, to purchase any Bond, to pay any Expense, or to make any other withdrawal, transfer, sale, exchange or other application of Assets required, permitted or contemplated by the Bond Resolution, or (2) subject to satisfaction of the Revenue Test, transfer all or any portion of any Asset to the Authority.

(B) Notwithstanding anything to the contrary herein, to the extent that pursuant to an Officer's Certificate the Authority pledges any funds which are not then subject to the pledge in Section 105 hereof and which are expected to be thereafter used to finance Mortgage Loans until the issuance of Bonds therefor, an amount of Assets equivalent to such funds, plus a reasonable charge for interest on such funds if and as determined by an Authorized Officer, may be subsequently withdrawn and transferred to the Authority without regard to the satisfaction of the Revenue Test.

(C) Assets transferred to the Authority pursuant to Subsections (A) (2) and (B) of this Section shall not thereafter be subject to the lien or pledge created by the Bond Resolution.

SECTION 403. *Sales and Exchanges.* The Authority shall be authorized to sell or exchange any Asset to or with any party (including the Authority) at a price and/or for other assets equal to such Asset's fair market value, or subject to satisfaction of the Revenue Test, at any price and/or for any assets. For purposes of the Bond Resolution, a sale to or exchange with the Authority includes any transaction in which cash or assets of the Authority not included in the Assets are used to pay the sales price of or are exchanged for the Assets.

SECTION 404. *Modifications and Amendments.* The Authority may modify or amend, in any manner it deems appropriate in its sole judgment, the terms and conditions of any Asset, subject to satisfaction of the Revenue Test or subject to the determination of an Authorized Officer that such modification or amendment is either (1) not materially adverse to the payment of any Bond Amount, or (2) in the best interests of the Owners.

## ARTICLE V

### COVENANTS AND RIGHTS OF THE AUTHORITY

SECTION 501. *General.* The Authority hereby makes the covenants set forth in this Article with the Trustee and with the Owners. The provisions of this Article shall be effective if any Bond Amount is due and payable or is to become due and payable.

SECTION 502. *Powers as to Bonds; Protection of any Liens and Pledges.* The Authority is duly authorized pursuant to law to adopt the Bond Resolution, to make or create the liens and pledges established by the Bond Resolution, and to authorize and issue the Bonds. The Bonds and the provisions of the Bond Resolution are and will be valid and legal obligations of the Authority and enforceable in accordance with their terms. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect any lien and any pledge made or created pursuant to the Bond Resolution and all the rights of the Owners against all claims and demands of all persons whomsoever.

SECTION 503. *Compliance with Conditions Precedent.* Upon the issuance of any Bond, all conditions, acts and things required by law or by the Bond Resolution to exist, to have happened or to have been performed precedent to or upon the issuance of such Bond shall exist, have happened and have been performed.

SECTION 504. *Tax Covenant.* Notwithstanding any provision herein to the contrary (including any restriction imposed by the Revenue Test), in the event that upon the issuance of a Bond, a Counsel's Opinion is delivered opining to the effect that the interest on such Bond is not included in gross income of the Owner thereof pursuant to the Code, the Authority shall at all times do and perform all acts required by the Code in order to assure that the interest on such Bond shall not be included in gross income of the Owner thereof pursuant to the Code. In order to comply with the covenant made in this Section, an Authorized Officer is hereby authorized to take any action (whether or not expressly authorized or permitted herein) and to omit to take any action (whether or not required by the terms hereof), to the extent permitted by applicable law.

SECTION 505. *Asset Covenants.* (A) Except funds and investments in any Payment Account and Defeasance Obligations in any Defeasance Account, an asset or property may be acquired (by purchase or exchange) or financed pursuant to the Bond Resolution only if such asset or property constitutes an Asset as defined in Section 101 hereof.

(B) Subject to the covenant set forth in Section 504, the Authority shall do all such acts as may be reasonably necessary in the sole judgment of the Authority to receive and collect Revenues and to enforce the terms and conditions relating to the Assets.

(C) The Mortgage securing any Mortgage Loan shall be executed and recorded, or reasonable provisions shall have been made for such recording, all in accordance with the requirements of existing laws.

SECTION 506. *Further Assurance.* The Authority shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning or confirming all and singular the rights, liens and pledges established pursuant to the Bond Resolution.

SECTION 507. *Records.* The Authority shall keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the Bond Resolution and which reflect all Assets, and all of the foregoing shall at all reasonable times be subject to

the inspection of the Trustee and the Owners of an aggregate of not less than twenty five percent (25%) of the Bond Obligation or their representatives duly authorized in writing.

SECTION 508. *Rights of the Authority.* (A) Additional Bonds, Exchange Agreements, Enhancement Agreements and Other Financial Agreements payable from Assets may be issued or executed from time to time pursuant to the Bond Resolution. Except as otherwise expressly provided in or determined pursuant to a Supplemental Bond Resolution in accordance with Section 701 (8), such additional Bonds, Exchange Agreements, Enhancement Agreements and Other Financial Agreements payable from Assets shall be issued or executed on a parity basis with the Outstanding Bonds, shall be secured by the lien and pledge of the Bond Resolution, and shall be payable equally and ratably from the Assets. Such additional Bonds may be issued to refund any Outstanding Bonds or other obligation of the Authority, whether by payment at maturity or upon redemption or purchase. The Authority expressly reserves the right to adopt one or more other note or bond resolutions and reserves the right to incur or issue other obligations.

(B) Notwithstanding anything to the contrary herein, the Authority may be the Mortgagor with respect to any Mortgage Loan made or financed pursuant to the Bond Resolution. In such an event, the Authority may execute and deliver the Mortgage securing such Mortgage Loan to the Trustee, on behalf of the Owners.

## ARTICLE VI

### PURCHASE OR REDEMPTION OF BONDS

SECTION 601. *Redemption.* Bonds issued pursuant to the Bond Resolution, the applicable Written Determinations for which provide for redemption prior to maturity, shall be subject to redemption in accordance with such Written Determinations upon compliance by the Authority and the Trustee with the provisions in this Article. Notwithstanding anything in the Bond Resolution to the contrary, Bonds issued under the 1986 Amended Resolution shall be subject to redemption as provided in the 1986 Amended Resolution, the Series Resolutions and the Prior Written Determinations originally applicable to such Bonds.

SECTION 602. *Purchase.* In lieu of the redemption of any Bond, the Authority may direct the Trustee in an Officer's Certificate to purchase such Bond from any Owner willing to sell such Bond. In addition, the Authority may at any time direct the Trustee in an Officer's Certificate to purchase, with Assets or other assets of the Authority, any Bond from any Owner willing to sell such Bond. In either case, the purchase price shall be determined by, or in accordance with the directions of, the Authority.

SECTION 603. *Notice of Purchase or Redemption to Trustee.* The Authority shall direct the Trustee to purchase or redeem Bonds by the delivery to the Trustee of an Officer's Certificate containing such information as the Trustee may reasonably require in order to effect the proposed purchase or redemption. Such Officer's Certificate shall be delivered to the Trustee at such time prior to the date of purchase or prior to the date any notice of redemption must be given to the Owners as shall be reasonably required by the Trustee.

SECTION 604. *Selection of Bonds to be Redeemed by Lot.* If less than all of the Outstanding Bonds with the same Authority Designations (without regard to bond certificate numbers) and maturity are to be redeemed, the Bonds to be redeemed shall be selected by lot in such manner as the Trustee may determine or shall be selected in such other manner as set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations.

SECTION 605. *Notice of Redemption to Owners.* (A) When the Trustee shall be required or authorized, or shall receive notice from the Authority of its election, to redeem Bonds, the Trustee shall in accordance with the terms and provisions of the Bond Resolution, select the Bonds to be redeemed and shall give notice of the redemption of Bonds to the Owners thereof unless not required by the Written

Determinations or Prior Written Determinations. Such notice shall specify the Authority Designations and maturities of the Bonds to be redeemed, the redemption date, the place or places where the Bond Amounts due upon such redemption will be payable, and any letters, numbers or other distinguishing marks necessary to identify the Bonds to be redeemed, including CUSIPs. In the case of a Bond to be redeemed in part only, such notice shall also specify the portion of the principal amount or Maturity Amount, as the case may be, thereof to be redeemed. Such notice of redemption 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 portion of the principal or Maturity Amount, as the case may be, thereof in the case of a Bond to be redeemed in part only, together with interest accrued, if any, to such date, and that from and after such date interest thereon shall cease to accrue.

(B) Any required notice having been given in the manner provided in this Section, the Bonds or portions thereof called for redemption shall become due and payable on the redemption date and at the Redemption Prices, plus accrued interest.

(C) Any notice of redemption to an Owner shall be sent, as directed by the Authority, by mail or other means of physical delivery or transmitted by facsimile or other means of electronic delivery to such Owner at his last address, physical or electronic, as set forth in the Registration Books. Such notice shall be sent at such time prior to the date of redemption as shall be set forth in or determined pursuant to the applicable Written Determinations or Prior Written Determinations.

(D) Notwithstanding anything in this Section to the contrary, in the case of redemption on a Tender Date of any Bond being tendered on such Tender Date, notice of redemption shall not be required to be given to the Owner thereof, unless expressly required by the applicable Written Determinations or Prior Written Determinations.

SECTION 606. *Rescission of Notice of Redemption.* Notwithstanding anything to the contrary herein, (1) any notice of purchase to the Trustee may be rescinded by the Authority at any time prior to the date of purchase, and (2) any notice of redemption to the Trustee may be rescinded at any time prior to the Trustee's sending of the corresponding notice of redemption to the Owners of the Bonds to be redeemed, and thereafter, prior to the date of redemption, such notice of redemption to the Owner may be rescinded by the Authority with respect to any Bond upon consent to such rescission by the Owner of such Bond.

## ARTICLE VII

### SUPPLEMENTAL BOND RESOLUTIONS

SECTION 701. *Supplemental Bond Resolutions Effective Upon Filing.* For any one or more of the following purposes and at any time or from time to time, a resolution of the Authority amending or supplementing the Bond Resolution may be adopted which, upon its filing with the Trustee, shall be fully effective in accordance with its terms:

- (1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Bond Resolution;
- (2) To include such provisions as are deemed by an Authorized Officer to be necessary or desirable and are not contrary to or inconsistent with the Bond Resolution as theretofore in effect;
- (3) To add other covenants, agreements, limitations, or restrictions to be observed by the Authority which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect;
- (4) To add to the rights or privileges of the Owners;

(5) To surrender any right, power or privilege reserved to or conferred upon the Authority by the Bond Resolution;

(6) To comply with any provision of the Code or federal or state law or regulation;

(7) To modify or amend the Bond Resolution in any respect, subject to satisfaction of the Revenue Test; provided, however, that no such modification or amendment pursuant to this Section 701 (7) shall modify or delete, or shall authorize or permit any deletion or modification of, any of the following: (i) any of the covenants, rights or remedies under Section 504 or Article IX, (ii) the definition of Revenue Test in Section 101, (iii) any requirement for satisfaction of the Revenue Test, (iv) the definition of Defeasance Obligation in Section 101, (v) the provisions of Sections 103 through 106, Section 701, Section 1007 and Section 1101, (vi) any requirement for notice to or consent, approval or direction of Owners, or (vii) the terms of redemption or the due date or amount of payment of any Bond Amount without the consent of the Owner of such Bond Amount; or

(8) To set forth such amendments to the Bond Resolution as necessary or desirable to provide for the issuance of Bonds or the execution of Exchange Agreements, Enhancement Agreements or Other Financial Agreements payable from Assets (i) on which the payment of the Bond Amounts may be subordinate to the payment of the Bond Amounts with respect to other Bonds, Exchange Agreements, Enhancement Agreements or Other Financial Agreements payable from Assets, (ii) which may have the payment of their Bond Amounts conditional upon the happening of certain events, (iii) which may not be general obligations of the Authority, (iv) which may not be secured by all or any of the Assets, or (v) whose Owners do not have all of the rights or benefits of the other Owners.

SECTION 702. *Supplemental Bond Resolutions Effective with Consent of Owners.* (A) At any time or from time to time, a resolution may be adopted by the Authority amending, supplementing or eliminating any provision of the Bond Resolution or releasing the Authority from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained, but no such resolution shall be effective until after the filing with the Trustee of a copy thereof and unless (1) on the date such resolution becomes effective, no Bond issued prior to the adoption of such resolution remains Outstanding and no Exchange Agreement, Enhancement Agreement or Other Financial Agreement in existence prior to the adoption of such resolution remains payable from Assets, or (2) such resolution is consented to by the Owners in accordance with the provisions of Article VIII.

(B) The provisions of Subsection (A) of this Section shall not be applicable to resolutions of the Authority adopted and becoming effective in accordance with the provisions of Section 701.

SECTION 703. *Restriction on Amendments.* The Bond Resolution shall not be modified or amended except as provided in and in accordance with the provisions of this Article and Article VIII.

SECTION 704. *Adoption of Supplemental Bond Resolutions.* Any resolution of the Authority referred to and permitted or authorized by Sections 701 or 702 (A) (1) may be adopted by the Authority without the consent of the Owners, but such resolution shall become effective only in accordance with such Sections. Every such resolution so becoming effective shall thereupon form a part of the Bond Resolution.

SECTION 705. *Authorization to Trustee.* The Trustee is hereby authorized to accept the delivery of any resolution of the Authority referred to and permitted or authorized by Sections 701 or 702.

## ARTICLE VIII

### AMENDMENTS

SECTION 801. *Notice.* Any provision in this Article relating to the mailing, giving or sending of a notice or other document to an Owner shall be fully complied with if such notice or other document is sent

or transmitted, at the Authority's discretion, by mail or other means of physical delivery, or by facsimile or other electronic means to such Owner at his last address, physical or electronic, set forth in the Registration Books.

SECTION 802. *Powers of Amendment.* Any consent to a resolution required by Section 702 (A) (2) shall be deemed given if the Owners of more than sixty percent (60%) of the Bond Obligation (as of the Record Date for such consent) responding to the request for consent described in Section 803 shall so consent within such time period as shall be established (and as may be extended) by the Authority. If, however, such resolution will, by its terms, not take effect so long as certain Bonds shall remain Outstanding, or shall not affect certain Owners, the consent of such Owners shall not be required or recognized and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of the Bond Obligation under this Section. No such resolution shall permit a change in the terms of redemption or in the due date or amount of payment of any Bond Amount without the consent of the Owner of such Bond Amount or lower the percentage of Owners required for consent hereunder.

SECTION 803. *Consent of Owners.* (A) Any resolution of the Authority adopted in accordance with the provisions of Sections 702 (A) (2) and 802 shall take effect when and as provided in this Section. A copy of such resolution (or brief summary thereof or reference thereto), together with a request to Owners to indicate whether they consent or do not consent to such resolution, shall be sent to such Owners. Such resolution shall not be effective unless and until, and shall take effect in accordance with its terms when, (1) there shall have been filed with the Trustee the written consents of Owners specified in Section 802, and (2) a notice shall have been given as hereinafter in this Section provided.

(B) Each such consent shall be effective only if accompanied by proof of the ownership, as of the applicable Record Date, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 1103. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient under the provisions of Section 1103 shall be conclusive that the consents have been given by the Owners of the Bonds described in such certificate or certificates of the Trustee. Notwithstanding the provisions of Section 1103, any such consent may, if permitted by the Authority, be revoked in writing by the Owner of such Bond giving such consent prior to the effectiveness thereof.

(C) At any time subsequent to the expiration of the time period during which Owners of the required percentage of the Bond Obligation shall have filed their consents to such resolution, the Trustee shall make and file with the Authority a written statement that such Owners have filed and given such consents. Such written statement shall be conclusive that such consents have been so filed and have been given.

(D) Subsequent to the date on which the written statement of the Trustee provided for in Subsection (C) of this Section is filed, a notice stating in substance that such resolution has been consented to by such Owners and will be effective as provided in this Section shall be mailed, sent or given to such Owners. A record, consisting of the papers required or permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such resolution shall be deemed conclusively binding upon the Authority, the Trustee and all Owners at the expiration of ten (10) days after the filing with the Trustee of proof of the mailing or other delivery of such last-mentioned notice.

SECTION 804. *Modification of Bonds.* If the Authority shall so determine, new Bonds, as modified in such manner as in the opinion of an Authorized Officer of the Authority is necessary to conform to action provided for in this Article, shall be prepared and delivered to the Trustee.

## ARTICLE IX

### REMEDIES ON DEFAULT

SECTION 901. *Powers of Trustee.* The Authority hereby vests in the Trustee, in trust for the benefit of the Owners and in addition to all its rights, powers and duties set forth in any other provision of the Bond Resolution, the rights, powers and duties set forth in this Article.

SECTION 902. *Events of Default.* Each of the following shall constitute an “Event of Default” under the Bond Resolution:

(1) a Bond Amount shall become due on any date and shall not be paid by the Authority to either the Trustee or party due such Bond Amount on said date; or

(2) a default shall be made in the observance or performance of any covenant, contract or other provision of the Bonds or Bond Resolution, and such default shall continue for a period of ninety (90) days after written notice to the Authority from Owners of twenty-five percent (25%) of the Bond Obligation or from the Trustee specifying such default and requiring the same to be remedied; or

(3) there shall be filed by or against the Authority as debtor a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) under any applicable law or statute now or hereafter in effect.

SECTION 903. *Enforcement by Trustee.* (A) Upon the occurrence and continuance of an Event of Default described in Section 902 (1), the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Owners, may, after notice to the Authority, proceed, or upon the written request of the Owners of not less than twenty-five percent (25%) of the Bond Obligation with respect to which such Event of Default has happened, shall proceed, subject to the provisions of Section 1002, to protect and enforce its rights and, to the full extent that the Owners themselves might do, the rights of such Owners under applicable law or under the Bond Resolution by such suits, actions or proceedings in equity or at law, either for the specific performance of any covenant or contract contained herein or in aid or execution of any power herein granted or for any legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce the rights aforesaid.

(B) Upon the occurrence and continuance of an Event of Default described in any of the clauses of Section 902, the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of all Owners, may, after notice to the Authority, proceed, or upon the written request of the Owners of not less than twenty-five percent (25%) of the Bond Obligation shall proceed, subject to the provisions of Section 1002, to protect and enforce its rights and, to the full extent that the Owners themselves might do, the rights of such Owners under applicable law or under the Bond Resolution by such suits, actions or proceedings in equity or at law, either for the specific performance of any covenant or contract contained herein or in aid or execution of any power herein granted or for any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce the rights aforesaid.

SECTION 904. *Representation of Owners by Trustee.* The Trustee is hereby appointed (and the Owners shall be conclusively deemed to have so appointed the Trustee and to have mutually covenanted and agreed, each with the other, not to revoke such appointment) the true and lawful attorney-in-fact of the Owners with power and authority, at any time in its discretion:

(1) Pursuant to the Bond Resolution or the Act or any other law and subsequent to the occurrence and continuance of an Event of Default, (a) by action in lieu of mandamus or other prerogative writ or by other suit, action or proceeding in equity or at law, to enforce all rights of the Owners including the right to require the Authority to fulfill its obligations with respect to the Bond Resolution, (b) to bring suit upon the Bonds, (c) by action or suit in equity, to require the Authority to account as if it were a

trustee of an express trust for the Owners, or (d) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners; and

(2) To make and file in any bankruptcy or similar proceeding either in the respective names of the Owners or on behalf of all the Owners as a class, any proof of debt, amendment of proof of debt, petition or other document, to receive payment of any sums becoming distributable to the Owners, and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Owners against the Authority allowed in any bankruptcy or other proceeding.

SECTION 905. *Limitation on Powers of Trustee.* Nothing in the Bond Resolution shall be deemed to give power to the Trustee either as such or as attorney-in-fact of the Owners to vote the claims of the Owners in any bankruptcy proceeding or to accept or consent to any plan or reorganization, readjustment, arrangement or composition or other like plan, or by other action of any character to waive or change any right of any Owner or to give consent on behalf of any Owner to any modification or amendment of the Bond Resolution requiring such consent or to any resolution requiring such consent pursuant to the provisions of Article VII or Article VIII.

SECTION 906. *Action by Trustee.* (A) All rights of action under the Bond Resolution or upon any of the Bonds, enforceable by the Trustee, may be enforced by the Trustee without the possession of any of the Bonds, or the production thereof in the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee may be brought in its name for the benefit of the Owners, subject to the provisions of the Bond Resolution.

(B) In the enforcement of any rights under the Bond Resolution, the Trustee shall be entitled to sue for, enforce payment of and to receive any and all Bond Amounts then or during any Event of Default becoming, and at any time remaining, due and unpaid to the Owners thereof, together with interest on such overdue Bond Amounts at the applicable Federal Funds Rate and any and all costs and expenses of collection and of all proceedings hereunder, without prejudice to any other right or remedy of the Trustee or of the Owners, and to recover and enforce judgment or decree against the Authority for any portion of such Bond Amounts due and remaining unpaid together with interest at the applicable Federal Funds Rate and all costs and expenses as aforesaid, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable.

(C) In any action, suit or other proceeding by the Trustee pursuant to this Section, the fees and expenses of the Trustee and its counsel allowed by a court of competent jurisdiction, shall be a first lien on the Assets.

SECTION 907. *Accounting, and Examination of Records after Default.* The Authority covenants with the Trustee that, if an Event of Default shall have occurred and shall not have been remedied, (1) the books of record and account of the Authority and all records relating to the Bond Resolution and the Program shall at all reasonable times be subject to the inspection and use of the Trustee and of its agents and attorneys, and (2) the Authority, whenever the Trustee shall reasonably demand, will account, as if it were the trustee of an express trust, for all Assets.

SECTION 908. *Restriction on Owner's Action.* (A) No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision of the Bond Resolution or for the execution of any trust hereunder or for any other remedy hereunder, unless (1) (a) such Owner previously shall have given to the Authority and the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (b) after the occurrence of such Event of Default, written request shall have been made of the Trustee to institute such suit, action or proceeding by the Owners of not less than twenty-five percent (25%) of the Bond Obligation or, if such Event of Default is an Event of Default set forth in Section 902 (1), by the Owners of not less than twenty-five percent (25%) of the Bond Obligation with respect to which such Event of Default has happened, and there

shall have been offered to the Trustee security and indemnity satisfactory to it against the costs and liabilities to be incurred therein or thereby, and (c) the Trustee shall have refused or neglected to comply with such request within a reasonable time, or (2) (a) such Owner previously shall have obtained the written consent of the Trustee to the institution of such suit, action or proceeding, and (b) such suit, action or proceeding is brought for the ratable benefit of all Owners subject to the provisions of the Bond Resolution.

(B) No Owner shall have any right in any manner whatever by his action to affect, disturb or prejudice the pledge of Assets hereunder, or, except in the manner and on the conditions in this Section provided, to enforce any right or duty hereunder.

SECTION 909. *Application of Assets after Default.* (A) All Assets collected by the Trustee pursuant to this Article shall, unless otherwise directed by a court of competent jurisdiction, be held in trust by the Trustee for the benefit of the Owners, and shall be applied in a manner determined by the Trustee to comply with the terms of the Bond Resolution.

(B) In the event that the Assets held by the Authority or Trustee shall be insufficient for the payment of Bond Amounts as such become due and payable, such Assets shall be applied to the payment to the Owners entitled thereto of all Bond Amounts which shall have become due and payable, ratably, according to the amounts due and payable, without any discrimination or preference unless otherwise expressly provided in or determined pursuant to the Bond Resolution.

SECTION 910. *Remedies Not Exclusive.* No remedy by the terms of the Bond Resolution conferred upon or reserved to the Trustee or to Owners is intended to be exclusive of any other remedy, but 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, except as provided in Section 908.

SECTION 911. *Control of Proceedings.* In the case of an Event of Default, the Owners of a majority of the Bond Obligation, shall have the right, subject to the provisions of Section 908, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee; provided, however, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to Owners not parties to such direction.

SECTION 912. *Effect of Waiver and Other Circumstances.* No delay or omission of the Trustee or of any Owners 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 acquiescence therein, and every right, power and remedy given by the Bond Resolution to them or any of them may be exercised from time to time and as often as may be deemed expedient by the Trustee or, in an appropriate case, by the Owners. In case the Trustee shall have proceeded to enforce any right under the Bond Resolution, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Authority and the Trustee will be restored to their former positions and rights hereunder with respect to all rights, remedies and powers of the Trustee, which shall continue as if no such proceedings had been taken.

SECTION 913. *Right to Enforce Payment of Bond Amounts Unimpaired.* Nothing in this Article shall affect or impair the right of any Owner to enforce the payment of any Bond Amount due such Owner.

## ARTICLE X

### THE TRUSTEE

SECTION 1001. *Appointment and Acceptance of Duties.* Any Trustee hereunder must be (1) a bank, trust company or national banking association, having trust powers, or (2) with the prior approval of its Commissioners, the Authority. As of the date of adoption of this Restated Bond Resolution, the Trustee is SunTrust Bank, Atlanta, Georgia. The rights, responsibilities and duties of the Trustee under the Bond Resolution are hereby vested in said Trustee in trust for the benefit of the Owners. Any successor Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Bond Resolution by executing and delivering to the Authority a written instrument of acceptance thereof.

SECTION 1002. *Limited Liability of Trustee.* The External Trustee shall not be liable in connection with the performance of its duties and responsibilities hereunder except for its own negligence or default. The recitals of fact herein and in the Bonds shall be taken as the statements of the Authority, and the External Trustee assumes no responsibility for the correctness of the same. The External Trustee makes no representations as to the validity or sufficiency of the Bond Resolution or of any Bonds issued thereunder or in respect of the security afforded by the Bond Resolution, and the External Trustee shall not incur any responsibility in respect thereof. The External Trustee shall not be under any responsibility or duty with respect to Assets except to the extent such Assets are paid to the External Trustee in its capacity as Trustee, or the application of any such Assets paid or distributed to the Authority or others in accordance with the Bond Resolution. The External Trustee shall be under no obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any action or suit in respect of the Bond Resolution or Bonds, or to advance any of its own moneys, unless properly indemnified.

SECTION 1003. *Evidence on which Trustee May Act.* The External Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, 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 External Trustee may consult with counsel, who may or may not be of counsel to the Authority, and may request an opinion of counsel as a condition to the taking or suffering of any action hereunder, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever the External Trustee shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by an Officer's Certificate stating the same, and such Officer's Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Bond Resolution upon the faith thereof. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by or on behalf of the Authority to the External Trustee shall be sufficiently executed if executed by an Authorized Officer.

SECTION 1004. *Compensation and Expenses.* Unless otherwise set forth in a contract between the Authority and the External Trustee, the Authority shall pay to the External Trustee from time to time reasonable compensation for all services rendered by it hereunder, and also reimbursement for all its reasonable expenses, charges, and legal fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties hereunder.

SECTION 1005. *Certain Permitted Acts.* The External Trustee may become the Owner of or may deal in Bonds and may be a party to any agreement or transactions related to the Bonds as fully and with the same rights it would have if it were not the External Trustee. To the extent permitted by law, the External Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid

in any reorganization growing out of the enforcement of the Bonds or the Bond Resolution, whether or not any such committee shall represent the Owners of a majority of the Bond Obligation.

SECTION 1006. *Resignation.* Unless otherwise provided by contract between an External Trustee and the Authority, the Trustee may at any time resign and be discharged of its duties and obligations created by the Bond Resolution by giving not less than ninety (90) days' written notice to the Authority. Such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Authority as herein provided, in which event such resignation shall take effect immediately on the effective date of the appointment of such successor. Notwithstanding anything in the Bond Resolution to the contrary, the resignation of the Trustee shall not take effect until a successor Trustee shall have been appointed and shall have accepted its duties and obligations as of the effective date of such resignation.

SECTION 1007. *Removal.* Any Trustee may be removed at any time by the Owners of a majority of the Bond Obligation by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or by their attorneys duly authorized in writing and delivered to the External Trustee, if any, and to the Authority. The Authority may remove any External Trustee at any time, except during the existence and continuance of an Event of Default. In the event of the occurrence and continuance of an Event of Default and in the event that the Authority is serving in the capacity of the Trustee, the Authority shall immediately appointment a successor Trustee or shall, or any Owner may, petition a court of competent jurisdiction to appoint a successor Trustee, and the Authority shall resign as Trustee as of the effective date of the appointment of such successor Trustee. No Trustee shall be removed unless, on or prior to the effective date of removal of the Trustee, the Owners, the Authority or a court of competent jurisdiction, as the case may be, shall have appointed a successor Trustee and such successor Trustee shall have accepted its duties and obligations hereunder as of the effective date of such removal. Any successor Trustee shall have the qualifications set forth in Section 1001.

SECTION 1008. *Transfer of Rights and Property to Successor Trustee.* Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Authority, an instrument accepting such appointment, and on the effective date thereof, such successor Trustee, without any further act, deed or conveyance, shall become the Trustee under the Bond Resolution. Upon the effective date of any appointment of a successor Trustee, the predecessor Trustee shall immediately pay over, assign and deliver to the successor Trustee any property held by it pursuant to the terms of the Bond Resolution, including the Registration Books and any Assets. Upon the written request of the Authority or of the successor Trustee, the predecessor Trustee shall execute, acknowledge and deliver any instruments of conveyance and further assurance and do such other things as may reasonably be required to effect the transfer of all right, title and interest of the predecessor Trustee in and to any property previously held by it pursuant to the terms of the Bond Resolution. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such Assets, estates, properties, 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 laws, be executed, acknowledged and delivered by the Authority.

SECTION 1009. *Merger or Consolidation.* Any company into which the Trustee 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 such Trustee may sell or transfer all or substantially all of its corporate trust business (provided such company shall be a bank or trust company or national banking association which is qualified to be a successor to such Trustee and shall be authorized by law to perform all the duties imposed upon it by the Bond Resolution) shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

SECTION 1010. *Authority as Trustee.* Any notice, consent, resolution, opinion or other document required hereunder to be given, filed or delivered by the Authority to the Trustee or by the Trustee to the

Authority shall, if the Authority is serving in the capacity of the Trustee, be considered so given, filed or delivered upon the Authority's generation of such notice, consent, resolution, opinion or other document.

## ARTICLE XI

### MISCELLANEOUS

SECTION 1101. *Defeasance.* (A) If (1) Defeasance Obligations shall have been deposited in a Defeasance Account, (2) the principal of and interest on such Defeasance Obligations at maturity, without reinvestment, shall be sufficient, in the determination of an Authorized Officer, to pay all Bond Amounts when due at maturity or upon earlier redemption with respect to a Bond and all fees and expenses of the Trustee with respect to such Defeasance Account, and (3) any notice of redemption, if applicable, shall have been given to the Owner thereof or provisions satisfactory to the Trustee shall have been made for the giving of such notice, then notwithstanding any other provision of the Bond Resolution to the contrary, the Owner of such Bond shall no longer have a lien on, or the benefit of a pledge of, the Assets. If the foregoing requirements shall have been satisfied with respect to all Outstanding Bonds and no Enhancement Agreement, Exchange Agreement or Other Financial Agreement remains payable from Assets, then the lien, pledge, covenants, agreements and other obligations under the Bond Resolution shall, at the election of the Authority, be discharged and satisfied, and the Trustee shall thereupon deliver to the Authority all Assets held by it.

(B) Defeasance Obligations shall not be Assets and shall be unavailable for payment to Owners other than the Owners of the Bond Amounts with respect to which such Defeasance Obligations shall have been deposited by the Authority in the applicable Defeasance Account. The Owners of such Bond Amounts so deposited shall have a lien on, and the benefit of the pledge of, the Defeasance Obligations in such Defeasance Account and shall look only to such Defeasance Obligations for payment.

(C) No Defeasance Obligation shall be withdrawn from any Defeasance Account other than to pay, when due, the applicable Bond Amounts or the fees and expenses of the Trustee with respect to such Defeasance Account. If any Defeasance Obligation remains in a Defeasance Account subsequent to the payment of all the applicable Bond Amounts and all fees and expenses of the Trustee with respect to such Defeasance Account have been paid, such Defeasance Obligations shall be transferred to the Authority free of any lien or pledge of the Bond Resolution.

(D) For the purpose of this Section, interest on any Bond on which the interest is or may be payable at a variable rate shall be calculated at the maximum interest rate (or, if none, the estimated maximum interest rate as determined by an Authorized Officer in an Officer's Certificate) payable on such Bond.

(E) Cash on deposit in a Defeasance Account shall, upon the direction of an Authorized Officer, be invested by the Trustee in Defeasance Obligations or any repurchase agreement fully collateralized, as determined by an Authorized Officer, by any Defeasance Obligations.

SECTION 1102. *Escheat.* Notwithstanding any provision herein to the contrary, any Bond Amount held in a Payment Account or Defeasance Account which remains unclaimed for a period of six (6) years subsequent to the date such Bond Amount was due and payable shall be paid by the Trustee to the Authority free of the trust created by the Payment Account or Defeasance Account and free of any lien or pledge of the Bond Resolution, and thereafter the Owner of such Bond Amount shall look only to the Authority for the payment thereof. If any of the provisions of this Section 1102 shall conflict or be inconsistent with any applicable provisions of law, the applicable provisions of law shall control.

SECTION 1103. *Evidence of Signatures of Owners.* (A) Any request, consent, revocation of consent, assignment or other instrument which the Bond Resolution may require or permit to be signed and executed by Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly authorized in writing. Proof of (1) the execution of any

such instrument or of an instrument appointing or authorizing any such attorney, or (2) ownership by the Owner of any Bond or Bond Amount shall be sufficient for any purpose of the Bond Resolution if made in the following manner or in any other manner satisfactory to the Trustee and the Authority:

(a) The fact and date of such execution or ownership may be proved (1) by the acknowledgment of such execution by a witness, who may be required by the Trustee or the Authority to be a notary public, or (2) by the certificate, which need not be acknowledged or verified, of an officer of a bank, trust company or financial firm or corporation (including members of the National Association of Securities Dealers, Inc.) satisfactory to the Trustee that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

(b) The authority of a person or persons to execute any such instrument on behalf of a corporate Owner may be established without further proof if such instrument is signed by a person purporting to be the president, vice-president or other authorized officer of such corporation.

The Authority or the Trustee may in their discretion require further or other proof in cases where they deem the same desirable.

(B) Any request, consent or other instrument executed by the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done hereunder by the Authority or the Trustee in accordance therewith.

(C) Each Owner may elect to give consent or not give consent with respect to each Authorized Denomination of Bonds owned by such Owner.

SECTION 1104. *Record Dates.* The Trustee shall establish such Record Date(s), which the Authority may require to be subject to its prior approval, for the purposes of determining the Owner of any Bond or Bond Amount or determining the Owners who are eligible to give their consent or who are to receive notices of certain events under the Bond Resolution or who may exercise certain rights under the Bond Resolution.

SECTION 1105. *Exclusion of Bonds.* Bonds which are owned by the Authority and which have not been cancelled by the Trustee shall be excluded and shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Bond Obligation under Section 507 and Articles VIII, IX and X.

SECTION 1106. *Preservation and Inspection of Documents.* All reports, resolutions, certificates, statements, and other documents received by the Trustee with respect to the Bond Resolution shall be retained in its possession and shall be available at all reasonable times to the inspection of the Authority or the Owners of an aggregate of not less than twenty-five percent (25%) of the Bond Obligation or their agents or representatives duly authorized in writing, any of whom may make copies thereof, but any such reports, resolutions, certificates, statements or other documents may, at the election of the Trustee, be destroyed or otherwise disposed of at any time six years subsequent to such date as any and all liens and pledges and all covenants, agreements and other obligations of the Authority with respect to the Bond Resolution shall be discharged as provided in Section 1101.

SECTION 1107. *No Recourse.* No recourse shall be had for the payment of any Bond Amount or for any claim based thereon or on the Bond Resolution or the 1986 Amended Resolution or on any other agreement, instrument, certificate or opinion relating to any Bond against any current or former Commissioner, Authorized Officer or employee of the Authority, the Trustee or its officers or employees, or any person executing a Bond.

SECTION 1108. *Effective Date.* This Restated Bond Resolution shall be effective upon the satisfaction of the condition in Section 803(A)(1) of the 1986 Amended Resolution or the condition in

Section 803(A)(2) of the 1986 Amended Resolution, whichever occurs first, and upon satisfaction of the other requirements specified in Sections 803, 805 and (in the case of satisfaction of the condition in Section 803(A) (2) of the 1986 Amended Resolution) 903 of the 1986 Amended Resolution.