GEORGETOWN SPECIAL TAXING DISTRICT

BOARD OF DIRECTORS

RESOLUTION TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS

DATED AS OF OCTOBER 1, 2006

Adopted on October 4, 2006
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EXHIBIT B – CERTIFICATE OF TRUSTEE
GEORGETOWN SPECIAL TAXING DISTRICT
BOARD OF DIRECTORS
RESOLUTION TO AUTHORIZE THE ISSUANCE OF
GENERAL OBLIGATION BONDS

WHEREAS, at Special District Meetings of the Georgetown Special Taxing District (the "District") held on November 9, 2005, May 9, 2006, July 19, 2006, August 9, 2006 and September 13, 2006, the voters of the District approved appropriations and bond authorizations in the aggregate amount of $19,958,800 for the acquisition, design and construction of sewers and sewage treatment facilities, and for capital infrastructure improvements within the District (collectively, the "Authorizing Resolutions"); and

WHEREAS, pursuant to the Authorizing Resolutions, the President and Treasurer are authorized to determine the terms, details and particulars of the bonds or notes issued by the District; and

WHEREAS, pursuant to the Authorizing Resolutions, on June 14, 2006 the District issued its $5,000,000 Fixed Rate Note to Union Savings Bank to fund the initial costs of the acquisition, design and construction of the sewers and sewage treatment facilities; and

WHEREAS, the District is ready to complete the financing for the acquisition, design and construction of the sewers and sewage treatment facilities and to proceed with the capital infrastructure improvements by issuing the District’s General Obligation Bonds (the "Bonds") to finance said projects; and

WHEREAS, due to the structure of the proposed Bond issue, the President and the Treasurer seek approval by the Board of Directors of the terms, details and particulars of the Bonds.

NOW, THEREFORE, BE IT RESOLVED:

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 101. Definitions. In this Resolution the following terms shall have the following meanings unless the context otherwise requires:

"Account" shall mean one of the special accounts created and established pursuant to this Resolution.

"Accountant" shall mean an independent certified public accountant (or a firm thereof) of recognized standing, selected by the Board, and may be the accountant regularly auditing the books of the District.
"Amortization Installment" shall mean the amount required to be deposited into the Debt Service Fund to meet the Sinking Fund Installment, as determined by the President and Treasurer.

"Approved Budget" shall mean the annual budget of the District, as amended or supplemented, adopted or in effect for a particular Fiscal Year, as provided in Section 707 hereof.

"Authorized Representative" shall mean the President of the District or such other person or persons so designated by resolution of the Board.

"Authorizing Resolutions" shall mean the resolutions adopted by the voters of the District at Special District Meetings held on November 9, 2005, May 9, 2006, July 19, 2006, August 9, 2006 and September 13, 2006, approving appropriations and bond authorizations in the aggregate amount of $19,958,800 for the acquisition, design and construction of sewers and sewage treatment facilities, and for capital infrastructure improvements within the District.

"Board" shall mean the Board of Directors of the District.

"Bond" or "Bonds" shall mean the General Obligation Bonds of the District authorized by this Resolution.

"Bond Counsel's Opinion" shall mean an opinion signed by an attorney, or firm of attorneys, of nationally recognized standing in the field of law relating to bonds of municipalities and public agencies, selected by the Board.

"Bond Payment Date" shall mean each date on which interest or both a Principal Installment and interest shall be due and payable on any of the Outstanding Bonds according to their respective terms.

"Bondholder", "owner" or "holder" or words of similar import shall mean, when used with reference to a Bond, the person in whose name the Bond is registered.

"Capital Costs" shall mean and include all costs of acquisition, design, planning and construction or completion of any part of the Projects, including Costs of Issuance of any Bonds issued to provide funds to pay the cost thereof, the costs of any demolitions or relocations necessary in connection therewith and any extensions, renewals, replacements, equipment, alterations, improvements, additions, machinery and equipment, betterments, paving, grading, excavation, blasting or removals and of all or any property, rights, easements and franchises deemed by the Board to be necessary or useful or convenient therefor and may include, to the extent properly attributable to such acquisition, construction and completion:

(a) obligations incurred for labor and materials and payments made to contractors, builders and materialmen in connection with construction or acquisition of any part of the Projects, and for the restoration of property damaged or destroyed in connection with such construction;
(b) fees and expenses of the Trustee or of the issuer of any Credit Facility during construction, payments, taxes or other governmental charges lawfully levied or assessed during construction or on any property acquired, and premiums on insurance (if any) during such construction or acquisition;

(c) fees and expenses for studies, surveys and reports, engineering, borings, testings, estimates of costs and revenues, preparation of plans and specifications and inspecting or supervising construction or acquisition, as well as for the performance of all other duties of engineers or architects in connection with the acquisition, construction, extension, renewal or improvement of the Projects or required by this Resolution;

(d) expenses of administration properly chargeable to the acquisition, construction, reconstruction, renewal, extension, or improvement of the Projects, including legal expenses and fees, financing charges, costs of audits and fiscal advice and all other items of expense not elsewhere in this definition specified, incident to the acquisition, construction, reconstruction, renewal, extension or improvement of the Projects, including the acquisition of real estate, franchises and rights-of-way therefor, including abstracts of title and title insurance, and including interest accruing on any Bonds to and including the date of scheduled completion of any improvement of the Projects financed by such Bonds, and any charges of the Trustee and Paying Agents with respect to the payment of such interest;

(e) the cost and expense of acquiring by purchase or condemnations or by leasing such property, lands, rights-of-way, franchises, easements, and other interest in land as may be deemed necessary or convenient for the acquisition, construction or completion of any part of the Projects and options and partial payments thereon, and the amount of any damages incident to or consequent upon the same; and

(f) any obligation or expense heretofore or hereafter expended or incurred by the District and any amounts heretofore or hereafter advanced by the District for any of the foregoing purposes.

"Capitalized Interest" shall mean that portion of the proceeds of Bonds, if any, which is required to be deposited in the Capitalized Interest Account in the Debt Service Fund, for the purpose of funding the payment of a portion of the interest on Bonds, as determined by the President and Treasurer.

"Capitalized Interest Account" shall mean the Account by that name established in the Debt Service Fund pursuant to Section 501(b) hereof.

"Capitalized Interest Period" shall mean the period of time used to determine the Capitalized Interest. The President and Treasurer shall determine the Capitalized Interest Period.

"Certificate" shall mean, as the context indicates, either (i) a signed document attesting to or acknowledging the matters therein stated or setting forth matters to be determined pursuant to this Resolution, (ii) the report of an Accountant as to an audit or compliance called
for by this Resolution, or (iii) any report of the Consulting Engineer as to any matter called for by this Resolution.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

"Completion Date" shall mean the date that the Projects are accepted by the District as substantially complete.

"Construction Fund" shall mean the Construction Fund established pursuant to Section 502(a) hereof.

"Consulting Engineer" shall mean an independent licensed professional engineer or firm of engineers of recognized standing selected by the Board and may include an independent engineer or firm of engineers retained by the District in one or more other capacities.

"Costs of Issuance" shall mean all items of expense, directly or indirectly payable or reimbursable and related to authorization, sale and issuance of Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee or issuer of any Credit Facility, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, costs and expenses of refunding, premiums for the insurance of the payment of Bonds and any other cost, charge or fee in connection with the original issuance of Bonds.

"Costs of Issuance Account" shall mean the Account by that name established in the Construction Fund pursuant to Section 501(b) hereof.

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

"Debt Service" for any Fiscal Year or part thereof shall mean, as of any date of calculation and with respect to any Bonds, an amount equal to the sum of (i) interest payable during such Fiscal Year or part thereof on Bonds, except to the extent that such interest is to be paid from amounts representing Capitalized Interest, and (ii) the Principal Installments of the Bonds payable during such Fiscal Year or part thereof. Such interest and Principal Installment shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment thereof upon stated maturity or upon mandatory redemption by application of Sinking Fund Installments.

"Debt Service Fund" shall mean the Debt Service Fund established pursuant to Section 502(a) hereof.
"Debt Service Reserve Fund" shall mean the Debt Service Reserve Fund established pursuant to Section 502(a) hereof.

"Debt Service Reserve Requirement" shall mean, with respect to a series of Bonds, an amount equal to the least of (A) at the time of issuance, an amount equal to the least of (i) the maximum annual Debt Service Requirement for Outstanding Bonds of such series for any year, (ii) 125% of the average annual Debt Service Requirement for Outstanding Bonds, and (iii) 10% of the original stated principal amount (within the meaning of the Code) of such series Bonds, and (B) at any time after the initial issuance, the Initial Reserve Account Percentage times the Outstanding principal amount of Bonds as of the time of such calculation.

"Defeasance Obligations" shall mean any non-callable bonds or other obligations which as to principal and interest constitute direct obligations of, or are guaranteed by, the United States of America, including obligations of any agency thereof or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America to the extent unconditionally guaranteed as to timely payment of principal and interest by the United States of America.

"Depositary" shall mean any Qualified Public Depository as defined in Section 36a-330 of the Connecticut General Statutes, or a bank or trust company which otherwise meets the requirements of Section 7-402 of the Connecticut General Statutes with respect to the deposit of public funds, as selected by the District as a depositary of moneys to be held under the provisions of this Resolution.

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

"Disbursement Request" shall mean the written request signed by an Authorized Representative to effect disbursements thereunder or required to be delivered pursuant to Section 502 hereof to effect disbursements from the Construction Fund and shall be in substantially the form set forth in Exhibit A hereto.

"District" shall mean the Georgetown Special Taxing District, a body politic and corporate, established pursuant to Special Act No. 05-14 adopted by the Connecticut General Assembly, as amended, and by a resolution adopted by the voters of the District on September 12, 2005.

"Event of Default" shall mean any event specified in Section 901 hereof.

"Fiscal Year" shall mean the fiscal year of the District, which currently is July 1 to June 30.

"Fund" shall mean any fund established pursuant to Section 501 hereof.
"Initial Reserve Account Percentage" shall mean the result of dividing (x) the Debt Service Reserve Requirement on the date of initial issuance and delivery of a series Bonds, by (y) the initial Outstanding aggregate principal amount of said series of Bonds.

"Interest Payment Date" shall mean any date interest is due on Bonds.

"Investment Securities" shall mean and include any of the securities and investments permitted under Section 7-400 of the Connecticut General Statutes, as amended from time to time.

"Operating Expenses" shall mean all reasonable or necessary current expenses of maintaining, repairing, operating and managing the fiscal affairs of the District, including all salaries, administrative, general, commercial, auditing and legal expenses, insurance and surety bond premiums, consultants' fees and charges, payments to pension, retirement, health and hospitalization funds or in connection with any other employee benefit program, ordinary and current rentals of equipment or other property, ordinary lease payments for real property or interest therein, usual expenses of maintenance and repair (including replacements), customary and ordinary personnel and overhead expenses incurred by the District, reasonable reserves for maintenance and repair, and all other expenses necessary, incidental or convenient for the efficient operation of the District; provided, "Operating Expenses" shall not include any such expenses for the operation of the sewers and sewage treatment facilities, including the debt service on any borrowings of the District for the acquisition, design and construction thereof.

"Outstanding", when used with reference to Bonds, shall mean, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under this Resolution except:

(a) any Bonds cancelled by the Trustee at or prior to such date;

(b) any Bond (or portion thereof) for the payment or redemption of which there shall be set aside and held in trust hereunder either:

(i) moneys in an amount sufficient to pay when due the Principal Installments or Redemption Price thereof, together with all interest accrued or to accrue on each Interest Payment Date to the maturity or redemption date,

(ii) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications, as are necessary to provide moneys (whether as principal or interest) in an amount sufficient to pay when due the Principal Installments or Redemption Price thereof, together with all interest accrued or to accrue on each Interest Payment Date to the maturity or redemption date, or

(iii) any combination of (i) and (ii) above,

and, if such Bond or portion thereof is to be redeemed, for which notice of redemption
has been given as provided in Article VI, or provision satisfactory to the Trustee has been made for the giving of such notice;

(c) any bond in lieu of or in substitution for which other Bonds have been authenticated and delivered; and

(d) any Bond deemed to have been paid as provided in Section 1101(b).

"Paying Agent" shall mean any paying agent for Bonds, and its successor or successors and any other person which may at any time be substituted in its place pursuant to this Resolution.

"Principal Installment" shall mean, as of any date of calculation and with respect any Bonds Outstanding, (i) the principal amount of Bonds or (ii) the unsatisfied balance of any Sinking Fund Installments due on a certain future date for Bonds.

"Projects" shall mean, with respect to the Bonds, those purposes set forth in the Authorizing Resolutions authorizing the issuance of such Bonds for which the proceeds of such Bonds are to be applied.

"Rating Agency" shall mean Moody's Investors Service Inc., Standard & Poor's Corporation or any other rating agency nationally recognized for rating municipal debt and their respective successors and assigns.

"Rebate Fund" shall mean any Rebate Fund and the Accounts therein established pursuant to a supplemental resolution adopted by the Board.

"Record Date" shall mean the fifteenth day of any calendar month immediately preceding a calendar month in which there occurs a Bond Payment Date, or the preceding business day if such fifteenth day is not a business day.

"Redemption Price" shall mean, when used with respect to a Bond or portion thereof, the principal amount thereof plus the applicable premium, if any, payable upon either optional or extraordinary mandatory redemption thereof pursuant to this Resolution.

"Reserve Fund Credit Facility" shall mean a Credit Facility meeting the requirements of Section 506 of this Resolution.

"Resolution" shall mean this Resolution, adopted by the Board on October 4, 2006, as the same may be amended or supplemented from time to time.

"Sinking Fund Installment" shall mean, as of any particular date of calculation, the amount required by this Resolution to be paid by the District on a future date for the retirement of Outstanding Bonds which are stated to mature subsequent to such future date, but does not include any amount payable by the District by reason only of the maturity of a Bond.
"State" shall mean the State of Connecticut.

"Treasurer" shall mean the Treasurer of the District.

"Trustee" shall mean U.S. Bank National Association, and its successor or successors and any other person which may at any time be substituted in its place pursuant to this Resolution.

Section 102. Interpretation. (a) In this Resolution, unless the context otherwise requires:

(1) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Resolution.

(2) The terms "hereby", "hereof", "herein", "hereunder" and any similar terms, as used in this Resolution, refer to this Resolution, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this Resolution.

(3) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

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

(5) Words importing the redemption or redeeming or calling of a Bond for redemption do not include or connote the payment of such Bonds at its stated maturity or the purchase of such Bond.

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

(7) This Resolution shall be governed by and construed in accordance with the applicable laws of the State.

(8) [Not Used]

(9) The date upon which any Sinking Fund Installment is required to be made pursuant to proceedings taken under this Resolution authorizing the issuance and delivery of Bonds shall be deemed to be the date upon which such Sinking Fund Installment is payable and the Outstanding Bonds to be retired by application of such Sinking Fund Installment shall be deemed to be the Bonds entitled to such Sinking Fund Installment.
(10) Any reference to the payment of a Bond shall be a reference to the payment of the Principal Installments or Redemption Price thereof and interest thereon.

(b) Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the District, the Trustee, the Bondholders and, to the extent secured by a Credit Facility, the issuer of such Credit Facility, any right, remedy or claim under or by reason of this Resolution of any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the District, shall be for the sole and exclusive benefit of the District, the Trustee and the Bondholders.

(c) If any one or more of the covenants or agreements provided herein on the part of the District or any Trustee to be performed should be contrary to law, then such covenant or covenants or agreement or agreements, shall be deemed separable from the remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Resolution or of the Bonds.

**ARTICLE II**

**AUTHORIZATION AND ISSUANCE OF BONDS**

Section 201. Authorization of Resolution. This Resolution is adopted by virtue of the provisions of the Authorizing Resolutions. The Board has ascertained and hereby determines and declares that adoption of this Resolution is necessary to carry out the purposes of the Authorizing Resolutions, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary in order to carry out and effectuate the corporate purposes of the District, and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds, and are contracts or agreements necessary, useful and convenient to carry out and effectuate their purposes under the Authorizing Resolutions.

Section 202. Resolution to Constitute Contract. In consideration of the purchase and acceptance of Bonds by those who shall hold the same from time to time, and the acceptance by the Trustee of its duties hereunder, the provisions of this Resolution shall constitute a contract between the District, the Trustee, and the holders from time to time of the Bonds. The pledge hereof and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the District shall be for the equal benefit, protection and security of the holders of any and all such Bonds each of which, regardless of its maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in this Resolution.

Section 203. Obligation of Bonds.

(a) It is hereby expressly provided that the Bonds shall be general obligations of the District, and the full faith and credit of the District is pledged to the payment of the principal thereof and the interest thereon.
(b) Bonds issued pursuant to this Resolution shall not be considered to constitute a debt of the State of Connecticut or the Town of Redding, or a pledge of the faith and credit of the State of Connecticut or the Town of Redding. The bonds shall contain on their face a statement to the effect that neither the State of Connecticut nor the Town of Redding shall be obliged to pay the principal or the interest thereon, and that neither the faith and credit nor taxing power of the State of Connecticut or the Town of Redding is pledged to the payment of the Bonds.

Section 204. Authorization of Bonds. In order to provide sufficient funds for the purposes authorized in the Authorizing Resolutions, Bonds of the District are hereby authorized to be issued in an amount not to exceed $14,958,800, except as provided in Section 206 hereof or as may be limited by law, and such Bonds shall be issued subject to the terms, conditions and particulars established in this Resolution. The President and Treasurer are hereby authorized to determine any terms, details and particulars of the Bonds not provided for in this Resolution.

Section 205. Issuance and Delivery of Bonds. The Bonds shall be executed by or on behalf of the District by the President and Treasurer of the District and delivered to the Trustee for authentication. The Trustee shall thereupon authenticate and deliver such Bonds to or upon the order of the District.

Section 206. Conditions Precedent to Issuance of Additional Bonds. The District may issue additional bonds secured by the full faith and credit of the District, but only upon the receipt by the Trustee of a Certificate of an Authorized Representative certifying that:

(a) The full value of the property within the District that is subject to ad valorem taxation, as determined by the tax assessor of the Town of Redding in accordance with the principles prescribed by the State of Connecticut Office of Policy and Management, or any successor State agency or department with cognizance over municipal fiscal matters, is at least three (3) times the total of (i) the amount of Outstanding Bonds, and (ii) the aggregate principal amount of additional bonds to be issued by the District, or

(b) The proceeds of such additional bonds are to be used to complete the Projects; provided the principal amount of such additional bonds does not exceed $2,890,000 (20% of the Bonds initially issued hereunder), or

(c) The proceeds of the bonds are to be used to refund, in whole or in part, the Outstanding Bonds, but only if such issuance of refunding bonds results in present value debt service savings to the District.

Notwithstanding the above limitation, the District may issue additional bonds secured by the full faith and credit of the District to the United States Department of Agriculture in an amount not to exceed $5,000,000 to finance a portion of the costs of the upgrade of the wastewater treatment plant serving the District.
ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 301. **Title of Bonds.** Each Bond shall be entitled, shall bear such letters or numbers and such series and designation as shall be determined by the President and Treasurer of the District.

Section 302. **Place and Medium of Payment; Form.** Each Bond shall be payable at a principal corporate trust office of the Trustee and any Paying Agent appointed or provided for such Bond, 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. The Bonds shall be issued as fully registered bonds without coupons payable to a named person or registered assigns in such form as the President and Treasurer determine; provided, however, the President and Treasurer may provide for the issuance of one or more Bonds in book-entry form.

Section 303. **Dated Date; Payment of Interest.** The Bonds will be dated and will bear interest payable on the date or dates in each year, until maturity or earlier redemption, and at the rate or rates, all as determined by the President and Treasurer of the District. Interest on the Bonds shall be payable to the person in whose name such Bonds are registered, as shown on the registry books of the District kept for such purpose at the office of the Trustee, at the close of business on the Record Date, as determined by the President and Treasurer of the District.

Section 304. **Interchangeability of Bonds.** Upon surrender thereof at the principal corporate trust office of the Trustee, and registrar, with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his duly authorized attorney, Bonds may, at the option of the owner thereof and upon payment by such owner of any charges which the Trustee may make as provided in Section 306, be exchanged for an equal aggregate principal amount of Bonds of the same series, interest rate and maturity, of any of the authorized denominations.

Section 305. **Negotiability, Transfer and Registry.**

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

(b) The District and the Trustee may deem and treat the person in whose name any Bond shall be registered upon the books of the District as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of such Bond and for all other purposes and such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the
extent of the sum or sums so paid and neither the District nor the Trustee shall be affected by any notice to the contrary.

Section 306. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the District shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in such exchanges or transfers shall forthwith be canceled by the Trustee. For every such exchange or transfer of Bonds whether temporary or definitive, the District or the Trustee may, as a condition precedent to the privilege of making such exchange or transfer, make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the District nor the Trustee shall be required to transfer or exchange Bonds for a period of fifteen (15) days next preceding the first publication or mailing of any notice of redemption or to transfer or exchange any Bonds called for redemption.

Section 307. Bonds Mutilated, Destroyed, Stolen or Lost. In any case any Bond shall become mutilated or be destroyed, stolen or lost, the District shall execute, and thereupon the Trustee shall authenticate and deliver a new Bond of the same series, interest rate, maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the District and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the District and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the District and the Trustee may prescribe and paying such expenses as the District and Trustee may incur. All Bonds so surrendered to the Trustee shall be canceled by it. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the District, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportional benefits with all other Bonds issued under this Resolution, in any moneys or securities held by the District or the Trustee for the benefit of the Bondholders.

Section 308. Execution and Authentication.

(a) The Bonds shall be executed in the name and on behalf of the District by the manual or facsimile signature of the President and Treasurer of the District, and the corporate seal of the District (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. In case any one or more of the officers or employees who shall have signed or sealed any of the Bonds shall cease to be such officer or employee before the Bonds so signed and sealed shall have been delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such offices or be so employed.

(b) The Bonds shall bear thereon a certificate of authentication, in the form set forth in the Connecticut General Statutes, executed manually by the Trustee. No Bond shall be
entitled to any right or benefit under this Resolution or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee.

Section 309. **Depository Institution.**

(a) The District hereby designates the Depository Trust Company ("DTC"), New York, New York, as the initial Depository Institution to be the registered owner of all or any of the Bonds.

(b) Any Depository Institution may at any time resign or be discharged. Upon the resignation or discharge of the Depository Institution, the District and the Trustee will make arrangements to provide, at the expense of the District, certificated Bonds to the beneficial owners of such Bonds as of the date of resignation or discharge or such earlier date as is practicable, in any case as determined on the records of the Depository Institution. The District, the Board and the Trustee shall not have any responsibility for errors, negligence or malfeasance of the Depository Institution.

(c) As long as there shall be a Depository Institution for any Bonds, all such Bonds shall be registered on the registration books of the District in a name or names designated by such Depository Institution, who shall for all purposes of this Resolution be the registered owner of such Bonds. As long as there shall be a Depository Institution with respect to such Bonds; (i) All payments of interest, principal, Redemption Price and purchase price made by the Trustee shall be delivered only to the registered owner; and (ii) All notices delivered by the District, the Board or the Trustee pursuant to this Resolution shall be delivered only to the registered owner.

(d) Neither the District, the Board, nor the Trustee shall be liable or responsible because of a failure by the Depository Institution to perform any act, discharge any duties, execute any tenders or make any payments, in each case with respect to the beneficial owners, except to the extent the District, the Board or the Trustee as applicable, is liable or responsible under this Resolution to the registered owner.

Section 310. **Redemption of Bonds.**

The Bonds will be subject to optional redemption, extraordinary mandatory redemption and mandatory sinking fund redemption as determined by the President and Treasurer.

**ARTICLE IV**

**APPLICATION OF BOND PROCEEDS**

Section 401. **Application of Bond Proceeds: Deposits to the Debt Service Reserve Fund.** The proceeds (including accrued interest) from the sale of the Bonds of any series shall be applied simultaneously with the delivery of such Bonds for the purposes of making deposits in the Funds and Accounts, as follows: (i) to the Debt Service Reserve Fund, the amount necessary to make the amount on deposit in said Fund equal to the Debt Service Reserve Requirement, (ii) to the Capitalized Interest Account within the Debt Service Fund, the amount
necessary to make the amount on deposit in said Account equal to the Capitalized Interest, (iii) to the Costs of Issuance Account within the Construction Fund, the amount necessary to pay the Costs of Issuance for the Bonds, and (iii) to the Construction Fund, the balance, or as otherwise determined by the President and Treasurer.

ARTICLE V

Funds and Accounts

Section 501. Establishment of Funds and Accounts.

(a) The following Funds are hereby established:

(1) Construction Fund.
(2) Debt Service Fund.
(3) Debt Service Reserve Fund.

(b) There is hereby established in the Debt Service Fund a separate account to be known as the "Capitalized Interest Account". There is hereby established in the Construction Fund a separate account to be known as the "Costs of Issuance Account".

(c) In addition to the Accounts established in subsection (b) above, the Trustee shall, at the request of the District, establish within any Fund held by the Trustee such accounts as shall be designated in the written instructions of an Authorized Representative and shall in like manner establish within any Account such subaccounts for the purposes of such Accounts as shall be so designated.

(d) In addition to the Funds and Accounts established above, the Trustee shall, at the written instruction of an Authorized Representative, establish a Rebate Fund and Accounts thereunder, into which Rebate Fund and Accounts the District shall be required to deposit the amount of any earnings under this Resolution required to be rebated to the United States. Amounts on deposit in the Rebate Fund and Accounts thereunder shall be invested and applied by the Trustee as directed in writing by the District.

(e) Unless otherwise expressly provided in this Resolution, the Construction Fund, the Debt Service Fund, the Debt Service Reserve Fund and the Rebate Fund, if any, shall be held by the Trustee. The District shall hold all other Funds.

(f) Unless otherwise prohibited by this Resolution, the Trustee may establish additional accounts and subaccounts within any Fund held by the Trustee for ease of administration of this Resolution.

Section 502. Construction Fund.

(a) There shall be deposited from time to time in the Construction Fund any amount required to be deposited therein pursuant to this Resolution and any other amounts
received and determined by the District to be deposited therein from time to time which are not otherwise required to be applied in accordance with this Resolution.

(b) Amounts in the Construction Fund, other than amounts in the Costs of Issuance Account within the Construction Fund, shall be expended only (i) to pay, within authorized appropriations of the District, Capital Costs of the Projects or (ii) to the extent that the amounts in any other Fund are insufficient or unavailable therefor, to pay the principal of and interest on the Bonds when due, but in the case of (ii) above only in the event that there shall have been filed with the Trustee (a) a Certificate of an Authorized Representative stating that the revenues expected to be received thereafter together with such other specified amounts as are expected to be made available therefor by the District will not be sufficient to pay in full all Outstanding Bonds when and as the same shall become due in accordance with their terms and in reasonable detail, the basis for such certification, and (b) a Bond Counsel’s Opinion to the effect that such payment will not result in a violation of any existing law or have an adverse effect on the tax-exempt status of the Bonds.

(c) The District shall submit to the Trustee a monthly Disbursement Request setting forth the amount and, in reasonable detail, itemizing the Capital Costs of any Project expenses to be paid in the following month from the Construction Fund, together with (i) a Certificate of an Authorized Representative identifying such Disbursement Request and stating that the amount to be withdrawn pursuant to such requisition is a proper charge thereon, and (ii) a Certificate of the Consulting Engineer approving such Disbursement Request. The Trustee shall thereafter advance to the District at the beginning of each month, the amount shown in such Disbursement Request. The District may at any time, or from time to time as necessary, submit to the Trustee, a supplemental Disbursement Request, Certificate of an Authorized Representative and a Certificate of the Consulting Engineer in conformity with the foregoing requirements, and upon receipt thereof the Trustee shall promptly advance to the District the amount specified in such supplemental Disbursement Request. All moneys so received by the District shall be applied to the payment of the Capital Costs of the Projects for which such moneys were disbursed.

(d) The Trustee shall disburse funds held in the Costs of Issuance Account in accordance with the written instruction of an Authorized Representative.

(e) The Trustee shall, upon written instruction of an Authorized Representative, transfer any amount of the proceeds of the Bonds remaining in the Construction Fund, including any amount remaining in the Costs of Issuance Account, to the Debt Service Reserve Fund, but only upon receipt of the Certificate of an Authorized Representative stating that all Capital Costs theretofore incurred in connection with the Projects have been paid or duly provided for. In lieu of making such transfer the District may, by delivering to the Trustee written instructions of any Authorized Representative, direct the Trustee to apply such amounts to the redemption of Bonds in accordance with the provisions of Article VI.

(f) The District may establish within the Construction Fund a separate account for each Project for which the Bonds are issued, provided that moneys or deposits within any such separate account may be transferred to any other account within the Construction Fund.
as provided in written instruction of an Authorized Representative. Disbursements from the Construction Fund shall be for Projects reasonably expected to be funded from the proceeds of the Bonds issued therefor; provided that the District may authorize disbursements from the Construction Fund for other Projects as may be provided in a supplemental resolution that relates to the Bonds and upon the receipt of a Bond Counsel’s Opinion to the effect that such disbursement will not result in a violation of any existing law or have an adverse effect on the tax-exempt status of the Bonds.

Section 503. Payments Into Certain Funds. On or before the first business day of March and September of each year, commencing March 1, 2007, the District shall pay to the Trustee:

(a) For deposit into the Debt Service Fund, the amount, if any, necessary to make the total on deposit in such Fund equal to (i) all of the interest payable on the next Interest Payment Date, plus (ii) fifty percent (50%) of the Principal Installment coming due on the next Bond Payment Date,

(b) For deposit into the Debt Service Reserve Fund, the amount, if any, necessary to make the total on deposit in such Fund equal to the Debt Service Reserve Requirement for the Bonds, and

(c) For deposit into the Rebate Fund, if any, the amount required to be deposited in such Fund and the Accounts thereunder.

Section 504. Debt Service Fund.

(a) The Trustee shall pay from the moneys or deposits in the Debt Service Fund (i) on each Bond Payment Date, (1) the amounts required for the payment of the Principal Installments, if any, due on such Bond Payment Date and (2) the amounts required for the payment of interest due on such Bond Payment Date, provided that with respect to any Bonds for which amounts have been deposited in a Capitalized Interest Account, the unexpended balance in such account shall be applied to pay interest on such Bonds prior to use of other amounts in the Debt Service Fund for such purpose and (ii) on any redemption date or date of purchase, the amounts required for the payment of the Redemption Price and accrued interest on Bonds to be redeemed or purchased on such date unless the payment of such accrued interest shall be otherwise provided.

(b) The amounts accumulated in the Debt Service Fund for each Sinking Fund Installment may, and if so directed by an Authorized Representative shall, be applied (together with amounts with respect to interest on the Bonds for which such Sinking Fund Installment was established) by the Trustee prior to the forty-fifth (45th) day preceding the due date of such Sinking Fund Installment, to the purchase of Bonds and maturity for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the Redemption Price payable for such Bonds when such Bonds are redeemable by application of such Sinking Fund Installment, plus unpaid interest accrued to the date of purchase, such purchases to be made by the Trustee as directed in writing by an Authorized Representative.
(c) Upon the purchase of any Bond pursuant to subsection (b) of this Section, an amount equal to the principal amount of the Bond so purchased shall be credited toward the next Sinking Fund Installment thereafter to become due. The amount of any excess of the amounts so credited over the amount of such Sinking Fund Installment shall be credited against future Sinking Fund Installments in direct chronological order.

(d) As soon as practicable after the forty-fifth (45th) day preceding the due date of any Sinking Fund Installment, the Trustee shall proceed to call for redemption, pursuant to Section 603, on such due date, the Bonds and maturity for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the retirement of the principal amount specified for such Sinking Fund Installment of such Bonds and maturity. The Trustee shall so call such Bonds for redemption only if it then has moneys in the Debt Service Fund sufficient to pay the applicable Redemption Price thereof on the redemption date. The Trustee shall apply to the redemption of the Bonds an each such redemption date, the amount required for the redemption of such Bonds.

Section 505. [Not Used]

Section 506. Debt Service Reserve Fund.

(a) Amounts on deposit in the Debt Service Reserve Fund shall be applied, to the extent other funds are not available therefor pursuant to this Resolution, to pay the Principal Installments of, and interest on, the Bonds when due.

(b) Notwithstanding the provisions of Section 510(b)(ii), if, as of January 1 or July 1 of each year (or, if such date is not a business day, on the business day next preceding such day), or on any date on which the Trustee receives the written direction of an Authorized Representative, the amount in any Account in the Debt Service Reserve Fund exceeds the applicable Debt Service Reserve Requirement, the Trustee shall withdraw from such Account the amount of any excess therein over the applicable Debt Service Reserve Requirement as of the date of such withdrawal and deposit the moneys so withdrawn (i) if before the Completion Date of the Projects, into the Construction Fund, and (ii) if on or after the Completion Date of the Projects, to the Debt Service Fund. If, as of January 1 or July 1 of each year the amount in any Account in the Debt Service Reserve Fund is less than the applicable Debt Service Reserve Requirement and, to the extent that such deficiency has not been made up by the date of adoption of the Approved Budget for the next Fiscal Year by either (i) deposits pursuant to Section 503 or (ii) an increase in the market value of the securities therein or (iii) a combination of (i) and (ii), the District shall, in its Approved Budget for the ensuing Fiscal Year, include the amount necessary to eliminate such deficiency.

(c) [Not Used]

(d) The District may elect to satisfy in whole or in part the Debt Service Reserve Requirement by means of a Reserve Fund Credit Facility, subject to the following requirements:
(i) The Reserve Fund Credit Facility provider must have a credit rating issued by a Rating Agency in one of the two highest rating categories of such rating agency;

(ii) Each Reserve Fund Credit Facility shall have a term of at least one (1) year (or, if less, the remaining term of the Bonds) and shall entitle the Trustee to draw upon or demand payment at such times and for such purposes as the Trustee would be entitled to claim the funds and investments that would be on deposit in the Debt Service Reserve Fund were there no such Reserve Fund Credit Facility and receive the amount so requested in immediately available funds not later than one (1) business day after such draw or demand;

(iii) The Reserve Fund Credit Facility shall permit a drawing by the Trustee for the full stated amount in the event (1) the Reserve Fund Credit Facility expires or terminates for any reason prior to the final maturity of the Bonds, and (2) the District fails to satisfy the Debt Service Reserve Requirement by the delivery to the Trustee of cash, obligations, a substitute Reserve Fund Credit Facility, or any combination thereof, for deposit in the Debt Service Reserve Fund on or before the date of such expiration or termination;

(iv) The Reserve Fund Credit Facility shall permit a drawing by the Trustee for the full stated amount in the event (i) the rating issued by the Rating Agencies to the Reserve Fund Credit Facility provider is withdrawn or reduced below the minimum rating permitted in clause (i) above, and (ii) the District has not satisfied the requirements of clause (v) below;

(v) If the rating issued by the Rating Agencies to the Reserve Fund Credit Facility provider is withdrawn or reduced below the minimum rating permitted in clause (i) above, the District shall provide a substitute Reserve Fund Credit Facility within sixty (60) days after said rating change, and, if no substitute Reserve Fund Credit Facility is delivered to the Trustee by such date, shall immediately fund the Debt Service Reserve Requirement; and

(vi) If the Reserve Fund Credit Facility provider commences any insolvency proceedings or is determined to be insolvent or fails to make payments when due on its obligations, the District shall provide a substitute Reserve Fund Credit Facility within sixty (60) days thereafter, and, if no substitute Reserve Fund Credit Facility is delivered to the Trustee by such date, shall immediately fund the Debt Service Reserve Requirement. If the events described in either (iv) or (v) above occur, the Trustee shall not relinquish the Reserve Fund Credit Facility at issue until after the Debt Service Reserve Requirement is fully satisfied by the provision of cash, obligations, or a substitute Reserve Fund Credit Facility or any combination thereof. The Trustee is hereby authorized and directed to draw upon or demand payment from any such Reserve Fund Credit Facility in accordance with its terms in the event funds are needed from the Debt Service
Reserve Fund. Any amount received from the Reserve Fund Credit Facility shall be deposited directly into the Debt Service Fund and such deposit shall constitute the application of amounts in the Debt Service Reserve Fund.

(e) In the event of the refunding of any Bonds, the Trustee shall, upon the written direction of an Authorized Representative, withdraw from the Account related to the Bonds to be refunded all or any portion of amounts accumulated therein with respect to the Bonds to be refunded and deposit such amounts as provided in such written direction provided that such withdrawal shall not be made unless (i) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to Section 1101 hereof, and (ii) after giving effect to any amounts being simultaneously deposited therein the amount remaining in each Account after such withdrawal shall not be less than the applicable Debt Service Reserve Requirement.

Section 507. [Not Used]

Section 508. Depositaries.

(a) All moneys or securities held by the Trustee under the provisions of this Resolution shall constitute trust funds and the Trustee may, and shall, if directed in writing by an Authorized Representative, deposit such moneys or securities with one or more Depositaries in trust for the Trustee. All moneys or securities deposited under the provisions of this Resolution with the Trustee or any Depositary shall be held in trust and applied only in accordance with the provisions of this Resolution and any supplemental resolution, and each of such Funds established by this Resolution shall be a trust fund for the purposes thereof. The District and the Trustee shall instruct each Depositary that any moneys or securities credited to a Fund or an Account hereunder which are deposited with such Depositary shall be identified to be part of such Fund or Account and subject to the pledge in favor of the Trustee created under this Resolution. Prior to the first deposit of any moneys or securities with each Depositary, the District and the Trustee shall obtain from such Depositary its agreement to serve as agent of the Trustee in holding such moneys or securities in pledge in favor of the Trustee and the contract or other written instrument between the District and such Depositary governing the establishment and operation of such account shall provide that the moneys or securities from time to time deposited with such Depositary shall be held by such Depositary as such agent in pledge in favor of the Trustee; provided that, except as otherwise expressly provided herein, the District shall be permitted at any time to make withdrawals from and write checks or other drafts against any account held by the District and established with such Depositary and apply the same for the purposes specified in this Resolution and any supplemental resolution and, subject to Section 510 hereof, the District shall be permitted to invest amounts in any such account in Investment Securities.

(b) Each Depositary holding moneys or securities in trust for the Trustee shall be willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of this Resolution.

(c) Moneys and securities credited to any Fund or Account may be
commingled with moneys and securities credited to other Funds or Accounts for the purposes of establishing checking or other bank accounts for purposes of investing funds or otherwise, provided, however, the Trustee and the District shall at all times maintain or cause to be maintained accurate books and records reflecting the amounts credited to the respective Funds and Accounts held by them. All withdrawals from any commingled moneys or securities shall be charged against the proper Fund or Account and no moneys shall be withdrawn from commingled moneys if there is not on credit to the Fund or Account to be charged sufficient funds to cover such withdrawal.

Section 509. Deposits.

(a) All moneys held by any Depositary under this Resolution may be placed on demand or time deposit, if and as directed in writing by the District, provided that such deposits shall permit the moneys so held to be available for use at the time when needed.

(b) All moneys deposited with the Trustee and each Depositary shall be credited to the particular Fund or Account to which such moneys belong.

Section 510. Investment of Certain Funds.

(a) Moneys held in the Funds and Accounts established hereunder shall be invested and reinvested by the Trustee or an Authorized Representative, as applicable, to the fullest extent practicable in Investment Securities which mature not later than at such times as shall be necessary to provide moneys when needed for payments to be made from such Funds and Accounts. The Trustee shall make all such investments of moneys held by it only in accordance with written instructions from any Authorized Representative. In making any investment in any Investment Securities with moneys in any Fund or Account established under this Resolution, the Authorized Representative may, and may instruct the Trustee to, combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Investment Securities.

(b) Interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment) and other investment earnings and profits on any moneys or investments in the Funds and Accounts (hereinafter "Earnings") shall be paid and credited to the Funds and Accounts as follows:

(i) Earnings in the Capitalized Interest Account shall be paid and credited to such Capitalized Interest Account until the end of the Capitalized Interest Period; and thereafter to the Debt Service Fund.

(ii) Earnings in the Debt Service Reserve Fund shall be paid and credited to such Debt Service Reserve Fund until the Debt Service Reserve Requirement is met; then to the Capitalized Interest Account until the end of the Capitalized Interest Period; then to the Construction Fund until the Completion Date of the Projects; then to the Debt Service Fund.
(iii) Earnings in the Construction Fund shall be paid and credited to such Construction Fund.

(iv) Earnings in the Debt Service Fund shall be paid and credited to such Debt Service Fund.

(c) All Investment Securities acquired with moneys in any Fund or Account, shall be held by the Trustee in pledge or by a Depositary as agent in pledge in favor of the Trustee in accordance with Section 509 hereof.

(d) Nothing in this Resolution shall prevent any Investment Securities acquired as investments of Funds held under this Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Section 511. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any Fund or Account created under the provisions of this Resolution shall be deemed at all times to be a part of such Fund or Account and, unless otherwise provided, any profit realized from the liquidation of such investment shall be credited to such Fund or Account and any loss resulting from the liquidation of such investment shall be charged to such Fund or Account.

In computing the amount in any Fund or Account created under the provisions of this Resolution for any purpose provided in this Resolution, obligations purchased as an investment of moneys therein shall be valued at the cost of such obligations or the market value thereof, whichever is lower. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be made annually on the last day of the Fiscal Year for all Funds and at such other times as the District shall determine or as may be required by this Resolution.

Except as otherwise provided in this Resolution, the Trustee shall sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested in writing by an Authorized Representative so to do. Whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund or Account held by the Trustee, the Trustee shall sell at the best price reasonably obtainable or present for redemption such obligation or obligations designated by an Authorized Representative necessary to provide sufficient moneys for such payment or transfer; provided, however, that if the District fails to provide such designation promptly after request thereof by the Trustee, the Trustee may in its discretion select the obligation or obligations to be sold or presented for redemption. The Trustee shall not be liable or responsible for any loss resulting from the making of any such investment or the sale of any obligation in the manner provided above.

Section 512. Reporting Requirements. The District shall provide on or before February 28th of each year financial statements audited by an Accountant of all of its revenues, expenses and accounts for the preceding Fiscal Year which shall be prepared in accordance with the provisions of generally accepted accounting principles related to accounting, auditing and financial reporting.
ARTICLE VI

REDEMPTION OF BONDS

Section 601. Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity shall be redeemable, upon the giving of notice as provided in this Article, at such times, at such Redemption Prices and upon such terms as may be specified in Section 310.

Section 602. Redemption at the Election of the District. In the case of any redemption of Bonds otherwise than as provided in Section 603, the District shall give written notice to the Trustee of the election so to redeem, of the redemption date, of the principal amounts of the Bonds of each maturity to be redeemed (which series and maturities and principal amounts thereof to be redeemed shall be determined by the District in its sole discretion). Such notice shall be given at least forty-five (45) days prior to the redemption date. If, on the date of the receipt of such notice, the Trustee does not hold in the Debt Service Fund (in addition to the amounts required to be therein on deposit to pay the Debt Service due and payable during the remainder of the then current Fiscal Year on all Bonds that will remain Outstanding) an amount sufficient to pay the Redemption Price of the Bonds to be redeemed and to pay the interest accrued and unpaid on such Bonds to the designated redemption date, the Trustee shall not be required to give the notice provided for in Section 605.

Section 603. Redemption Otherwise Than at District Election. Whenever by the terms of this Resolution Bonds are required to be redeemed otherwise than at the election of the District, the District may nonetheless select the principal amounts of the Bonds of each series and maturity to be redeemed (which series, maturities and principal amounts thereof to be redeemed shall be determined by the District in its sole discretion) and in the event the District does not notify the Trustee of such maturities and principal amounts to be redeemed on or before sixty (60) days preceding the redemption date, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and apply the moneys available therefor to redeem on the redemption date at the Redemption Price therefor, together with accrued interest to the redemption date, all of the Bonds to be redeemed. The Trustee shall not be liable or responsible for any loss resulting from the making of any such selection.

Section 604. Selection of Bonds to be Redeemed. In the event of redemption of less than all the Outstanding Bonds of like series and maturity, the Trustee shall select, in such manner in its discretion as it shall deem appropriate and fair, the numbers of the Bonds to be redeemed. For the purposes of this Section, Bonds which have theretofore been selected for redemption shall not be deemed Outstanding.

Section 605. Notice of Redemption. The Trustee shall give notice, in the name of the District, of the redemption of such Bonds, which notice shall specify the series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds and maturities are to be redeemed, the numbers or other distinguishing marks of such Bonds so to be redeemed. Such
notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail a copy of such notice by first class mail, postage prepaid, not less than thirty (30) days before the redemption date, to the owners of the Bonds which are to be redeemed, at their last addresses appearing upon the registry books.

Section 606. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 605, the Bonds so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice such Bonds shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the Bonds of any maturity to be redeemed together with interest to the redemption date, shall be held by the Trustee as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds of such maturity so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE VII
PARTICULAR COVENANTS

The District covenants and agrees with the Trustee and the holders of the Bonds as follows:

Section 701. Payment of Bonds. The District shall duly and punctually pay or cause to be paid the Principal Installment or Redemption Price of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds.

Section 702. Offices for Servicing Bonds. The District shall at all times maintain an office or agency where Bonds may be presented for registration, transfer or exchange, and where notices, presentations and demands upon the District in respect of the Bonds or of this Resolution may be served. The District hereby appoints the Trustee as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds and for the service of such notices, presentations and demands upon the District.

Section 703. Power to Issue Bonds. The District is duly authorized under all applicable laws to authorize and issue the Bonds. The District is duly authorized to adopt this Resolution and to pledge the full faith and credit of the District to the payment of the Bonds and interest thereon. The Bonds are and will be the valid and legally enforceable obligations of the District in accordance with their terms and the terms of this Resolution.
Section 704. Tax Covenants.

(a) The District shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the District to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond, the interest on which was intended on the date of issuance thereof to be excluded from gross income for federal income tax purposes, to be an "arbitrage bond" as defined in Section 148 of the Code.

(b) The District shall not, permit at any time or times any proceeds of the Bonds or any other funds of the District to be used, directly or indirectly, in a manner which would result in the loss of the exclusion of interest on any Bond from gross income for federal income tax purposes, the interest on which was intended on the date of issuance of such Bond to be excluded from gross income for federal income purposes.

(c) For any Bond the interest on which was intended on the date of issuance of such Bond to be excluded from gross income for federal income purposes, the District (i) shall at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of any such Bond to ensure that interest on such Bond will not be included in gross income for federal income tax purposes, and (ii) shall not take, or omit to take, any action that would result in the loss of the exclusion of interest on such Bond from gross income for federal income tax purposes.

(d) For any Bond the interest on which was intended on the date of issuance of such Bond to be excluded from gross income for federal income purposes, the covenants contained in this Section 704 shall survive the defeasance, as described in Section 1101(b) hereof, of such Bonds.

Section 705. Accounts and Periodical Reports and Certificates. The District shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions under this Resolution and which, together with all other books and papers of the District, shall at all reasonable times be subject to the inspection of the Trustee, or the representative, duly authorized in writing, of the holder or holders of not less than 25% in principal amount of the Bonds then Outstanding.

Section 706. Consulting Engineer. Until the delivery to the Trustee of a Certificate of the Consulting Engineer to the effect that substantial completion has occurred on any Project (or phase of a Project) then being undertaken, and thereafter at such times as shall be required by this Resolution, the District shall, for the purpose of performing and carrying out the duties imposed on the Consulting Engineer by this Resolution, employ an independent engineer or engineering firm having a nationwide and favorable repute for skill and experience in such work. In rendering any report, certificate or opinion required pursuant to this Resolution, the Consulting Engineer may rely upon information, certificates, opinions or reports required to be provided by others pursuant to this Resolution, and upon other sources which the Consulting Engineer considers reliable, and other considerations and assumptions as deemed appropriate by the Consulting Engineer.
Section 707. District Budget.

(a) The District shall, on or before June 30, in each Fiscal Year, adopt and file with the Trustee, a copy of the Approved Budget, duly certified by an Authorized Representative, showing the estimated Operating Expenses (including Aggregate Debt Service), capital requirements and Revenues for the ensuing Fiscal Year, together with any other information required to be set forth therein by this Resolution. Such Approved Budget may set forth such additional information as the District may determine.

(b) If for any reason the District shall not have adopted the Approved Budget before such June 30, the Approved Budget for the Fiscal Year ending on such June 30 shall be deemed to be the Approved Budget for the ensuing Fiscal Year until a new Approved Budget is adopted.

(c) Subject to any provisions of the District's bylaws and ordinances, the District may at any time adopt an amended Approved Budget for the then current or ensuing Fiscal Year, but no such amended Approved Budget shall supersede any prior Approved Budget until the District shall have filed with the Trustee a copy of such amended Approved Budget.

Section 708. Agreement of District. The District agrees that it will not alter or limit the rights vested in this Resolution for the benefit of the Bondholders, or in any way impair the rights and remedies of Bondholders, until the Bonds, together with the interest thereon, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged.

Section 709. Insurance. The District covenants that it will maintain the Projects fully insured with one or more responsible insurance companies authorized and qualified under the laws of the State to assume the risk thereof, and/or through self insurance, all as shall be approved by an independent insurance consultant such insurance to cover such properties belonging to the Projects as are customarily insured, and against loss or damage from such causes as are customarily insured against by other public instrumentalities engaged in similar activities.

All insurance policies shall be to the extent practicable for the benefit of the District, the Trustee (on behalf of the Bondholders) and other interested parties, as their interests may appear. The proceeds of any and all such insurance shall be deposited by the District in the name of the District with a Depository.

The District covenants that, immediately after any loss or damage to any properties of the Projects resulting from any cause, whether or not such loss or damage shall be covered by insurance, it will cause its engineers to prepare plans and specifications for repairing, replacing or reconstructing (either in accordance with the original or a different design) the damaged or destroyed property, and that it will forthwith commence or cause to be commenced and diligently prosecute or cause to be diligently prosecuted the repair, replacement or reconstruction of the damaged or destroyed property unless the Board shall determine that the repair,
replacement or reconstruction of such property is not essential to the efficient operation of the Projects, in which case the proceeds of insurance shall be deposited in the Debt Service Fund and used to redeem Outstanding Bonds, as directed by the District.

Except as provided in the foregoing paragraph, the proceeds of all insurance referred to in this Section shall be available for, and shall to the extent necessary be applied to, the repair, replacement or reconstruction of the damaged or destroyed property, and shall be paid out in such manner hereinabove provided for payments from the Construction Fund. If such proceeds are more than sufficient for such purpose, the balance remaining shall be deposited to the credit of the Debt Service Fund and used to redeem Outstanding Bonds, as directed by the District.

Section 710. **Levy and Collection of Taxes, Fees and Assessments.** The District covenants that it will levy taxes, fees and assessments pursuant to any applicable special acts or statute, to the extent and in an amount necessary to pay the Debt Service on the Bonds as provided in this Resolution.

**ARTICLE VIII**

**AMENDMENTS**

Section 801. **Mailing of Notice of Amendment.** Any provision in this Article for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed, by first-class mail, postage prepaid only (i) to each owner of Bonds then Outstanding at his address appearing upon the registry books, and (ii) to the Trustee.

Section 802. **Powers of Amendment.** Any modification or amendment of this Resolution or of the rights and obligations of the District and of the holders of the Bonds hereunder, may be made by a supplemental resolution, with the written consent given as provided in Section 803, (i) of the holders of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given and (ii) in case less than all of the several Bonds then Outstanding are affected by the modification or amendment, of the holders of at least two-thirds in principal amount of the Bonds so affected and Outstanding at the time such consent is given; except that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment. For the purposes of this Section, the holders of the Bonds may include the initial holders hereof, regardless of whether such Bonds are being held for immediate resale.
Section 803. Consent of Bondholders.

(a) The District may at any time adopt a supplemental resolution making a modification or amendment permitted by the provisions of Section 802, to take effect when and as provided in this Section. A copy of such supplemental resolution (or brief summary thereof), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the District to Bondholders (but failure to mail such copy and request shall not affect the validity of the supplemental resolution when consented to as in this Section provided). Such supplemental resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of holders of the percentages of Outstanding Bonds specified in Section 802 and (b) a Bond Counsel's Opinion stating that such supplemental resolution has been duly and lawfully adopted and filed in accordance with the provisions of this Resolution, is authorized or permitted hereby and is valid and binding upon the District, and (ii) a notice shall have been published as hereinafter provided in this Section. The District may fix a record date for purposes of determining Bondholders entitled to consent to a proposed supplemental resolution.

(b) Any such consent shall be binding upon the holder of the Bonds giving such consent and upon any subsequent holder of such Bond or any Bonds issued in exchange therefor (whether or not such subsequent holder thereof has notice thereof).

(c) At any time after the holders of the required percentages of Bonds shall have filed their consents to the supplemental resolution, the Trustee shall make and file with the District a written statement that holders of such required percentages of Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice, stating in substance that the supplemental resolution (which may be referred to as a supplemental resolution adopted by the District on a stated date, a copy of which is on file with the Trustee) has been consented to by the holders of the required percentages of Bonds and will be effective as provided in this Section, shall be given to Bondholders by the District by mailing such notice to Bondholders. The District shall file with the Trustee proof of the giving of such notice. Such supplemental resolution making such amendment or modification shall be deemed conclusively binding upon the District and the holders of all Bonds upon the filing with the Trustee of the proof of the giving of such last mentioned notice.

Section 804. Modifications by Unanimous Consent. The terms and provisions of this Resolution and the rights and obligations of the District and of the holders of the Bonds may be modified or amended in any respect upon the adopting and filing of a supplemental resolution and the consent of the holders of all the Bonds then Outstanding, such consent to be given as provided in Section 803, except that no notice to Bondholders shall be required.

Section 805. Exclusion of Bonds. Bonds owned or held by or for the account of the District shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article or Article IX, and the District shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article or Article IX. At the time of any consent or other action taken under this Article or Article IX, the District shall furnish the Trustee a Certificate of an Authorized
Representative, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 806. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken in this Article may, bear a notation by endorsement or otherwise in form approved by the District as to such action, and in that case upon demand of the holder of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the principal office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, at the expense of the District, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the District shall so determine, at the expense of the District, new Bonds so modified shall be prepared, authenticated and delivered, and upon demand of the holder of any Bond then Outstanding shall be exchanged for such Bonds and maturity then Outstanding, upon surrender of such Bonds with all unpaid coupons, if any, appertaining thereto.

ARTICLE IX

REMEDIES ON DEFAULT

Section 901. Events of Default.

(a) An event of default is the occurrence of one or more of the following events (in this Resolution called "Events of Default"):

(1) a default in the due and punctual payment of a Principal Installment or the Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or upon call for redemption, or otherwise; or

(2) a default in the due and punctual payment of any installment of interest on any Bond, when and as such interest installment shall become due and payable; or

(3) default by the District in the performance or observance of any other of the covenants, agreements or conditions on its part or on the part of the District in this Resolution, any supplemental resolution or the Bonds, and such default shall continue for a period of thirty (30) days after the giving of written notice thereof stating that such notice is a "Notice of Default" to the District by the Trustee or to the District and to the Trustee by the holders of not less than a majority in principal amount of the Bonds Outstanding; or

(4) if the District shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of all or a substantial part of the Projects; (ii) be unable, or admit in writing its inability to pay debts as they mature; (iii) file a petition, arrangement, reorganization, or the like under any insolvency or bankruptcy law, or the adjudication as a bankrupt or the making of an assignment for the satisfaction, settlement or delay of debt or the appointment of a receiver of all or any part of its properties; or (iv) take any action for the purpose of effecting any of the foregoing.
Section 902. Remedies Upon Default.

(a) The Bonds will be general obligations of the District and the District will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

(b) The District is subject to suit on its general obligation bonds and notes and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the District. Courts of competent jurisdiction also have the power in appropriate proceedings to order a payment of a judgment on such bonds and notes from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the District and the availability and adequacy of other remedies.

Section 903. Proceedings Brought by Trustee.

(a) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, if the Trustee shall deem it advisable, subject in all respects to the provisions of Article X hereof, may proceed to protect and enforce its rights and the rights of the holders of the Bonds under this Resolution forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the District as if they were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Resolution.

(b) All rights of action under this Resolution may be enforced by the Trustee without the possession of any of the Bonds or the production thereof on the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

(c) Subject in all respects to the provisions of Article X hereof, the holders of a majority in principal amount of the Bonds at the time Outstanding, may direct by instrument in writing 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 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 the Bondholders not parties to such direction.

(d) Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Resolution, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Resolution and provided to be exercised by the Trustee upon the occurrence of an Event of Default; and, as a matter of right
against the District, without notice or demand and without regard to the adequacy of the security for the Bonds, the Trustee shall be entitled to retain possession and control of and to collect and receive income from, any moneys, securities and funds deposited or pledged with it under this Resolution or agreed or provided to be delivered or pledged with it under this Resolution.

(e) Regardless of the happening of an Event of Default, subject in all respects to the provisions of Article X hereof, the Trustee shall have the power to, but (unless requested in writing by the holders of a majority in principal amount of the Bonds then Outstanding, and furnished with security and indemnity to its satisfaction) shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Resolution by any acts which may be unlawful or in violation of this Resolution, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

Section 904. Restriction on Bondholders' Action.

(a) No holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Resolution or the execution of any trust under this Resolution or for any remedy under this Resolution, unless such holder has previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the holders of at least a majority in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity, either to exercise the powers granted in this Section or to institute such action, suit or proceeding in its own name, and unless such holders shall have offered to the Trustee security and indemnity to its satisfaction against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request within a reasonable time; it being understood and intended that no one or more holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by this Resolution, or to enforce any right under this Resolution, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of this Resolution shall be instituted, had and maintained in the manner provided in this Resolution and for the equal benefit of all holders of the Outstanding Bonds.

(b) Nothing in this Resolution or in the Bonds contained shall affect or impair the obligation of the District, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed, the principal of and interest on the Bonds to the respective holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any holder to enforce such payment of this Bond.

Section 905. Remedies Not Exclusive. No remedy by the terms of this Resolution conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Resolution or existing at law or in equity or by statute on or after the date of adoption of this Resolution.
Section 906. **Effect of Waiver and Other Circumstances.**

(a) No delay or omission of the Trustee or of any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such default or to be an acquiescence therein; and every power and remedy given by this Article to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

(b) Prior to the declaration of default of the Bonds as provided in Section 904, the holders of a majority in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the holders of all of the Bonds waive any past default under this Resolution and its consequences, except a default in the payment of interest on or principal or Redemption Price of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

**ARTICLE X**

CONCERNING THE TRUSTEE

Section 1001. **Concerning the Trustee; Acceptance of Trustee.** The Trustee hereby accepts and agrees to execute the trusts imposed upon it by this Resolution, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Resolution, to all of which the parties hereto and the respective owners of the Bonds agree. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing a certificate of acceptance regarding this Resolution substantially in the form of Exhibit B hereof.

Section 1002. **Obligation of Trustee.** The Trustee shall be under no obligation to institute any suit, or to take any action or proceeding under this Resolution or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, including, without limitation, pursuant to the direction of, or on behalf of, any of the Bondholders or the Credit Facility provider, until it shall be paid or reimbursed or indemnified to its satisfaction against any and all reasonable costs and expenses, outlays, liabilities, damages and counsel fees and expenses and other reasonable disbursements. The Trustee may nevertheless begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, and in such case the District shall reimburse the Trustee for all costs and expenses, outlays, liabilities, damages and counsel fees and expenses and other reasonable disbursements properly incurred in connection therewith. If the District shall fail to make such reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Resolution (other than money on deposit in the Rebate Fund, any moneys received pursuant to a drawing upon the Credit Facility, any moneys held for the payment of the Purchase Price of Bonds tendered or deemed tendered for purchase, or any money on deposit in any irrevocable trust or escrow fund established with respect to any defeased Bonds) upon notice to the District of its intention to reimburse itself and the Trustee.
shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

Section 1003. Responsibilities of Trustee.

(a) The recitals contained in this Resolution, any supplemental resolution, any offering memorandum or other disclosure document in connection with the Bonds, any filing in connection with any continuing disclosure obligation, and in the Bonds shall be taken as the statements of the District and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Resolution, any supplemental resolution or of the Bonds or in respect of the security afforded by this Resolution or any supplemental resolution and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to: (i) the issuance of the Bonds for value; or (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee; or (iii) the application of any moneys paid to or upon the order of the District or others in accordance with this Resolution except as to the application of any moneys paid to it in its capacity as Trustee; or (iv) the recording or rerecording, registration or reregistration, filing or refiling of this Resolution or any security documents contemplated thereby; or (v) the validity of the execution by the District of this Resolution; or (vi) compliance by the District with the terms of this Resolution. The Trustee may require of the District full information and advice regarding the performance of the covenants, conditions and agreements contained in this Resolution. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct, or failure to comply with the provisions of this Resolution.

(b) Except as otherwise provided in this Resolution, the Trustee shall not be bound to recognize any person as a holder of any Bond or to take action at such person’s request, unless such person shall be the Bondholder of such Bond. Any action duly taken by the Trustee pursuant to this Resolution upon the request, authority or consent of any person who at the time of making such request or giving such authority or consent is the Bondholder of any Bond secured hereby shall be conclusive and binding upon all future Bondholder s of such Bond.

(c) The duties and obligations of the Trustee shall be determined by the express provisions of this Resolution, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Resolution. In the case of an event of default specified in Article IX hereof, which event of default has not been cured or waived and of which the Trustee is deemed to have knowledge, the Trustee shall exercise such of the rights and powers vested in it by this Resolution and shall use the same degree of care and skill in its exercise thereof as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(d) The Trustee shall not be charged with knowledge of any event hereunder unless an officer or administrator in the Trustee’s corporate trust department has actual knowledge of such event.

(e) The Trustee, upon receipt of documents furnished to it by or on behalf of the District pursuant to this Resolution, shall examine the same to determine whether or not such documents conform to the requirements of this Resolution.
(f) Except as otherwise expressly provided by the provisions of this Resolution, the Trustee shall not be obligated and may not be required to give or furnish any notice, demand, report, request, reply, statement, advice or opinion to the Bondholder of any Bond and the Trustee shall not incur any liability for its failure or refusal to give or furnish the same unless obligated or required to do so by an express provision hereof. The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Resolution. The Trustee shall incur no liability in respect of any action taken or omitted by it in good faith without negligence in accordance with the direction of the Bondholders of the percentage of the Bonds specified herein relating to 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 under this Resolution.

(g) Subject to the provisions of this Article X, in the event the Trustee shall receive inconsistent or conflicting requests and indemnity from two or more groups of Bondholders, each representing less than a majority of the aggregate principal amount of the Bonds then Outstanding, the Trustee, in its sole discretion, may determine what action, if any, shall be taken.

(h) The Trustee shall not be liable for interest on any funds deposited with it hereunder, except as provided herein or as the Trustee may otherwise specifically agree in writing.

Section 1004. Property Held In Trust. All moneys and securities held by the Trustee at any time pursuant to the terms of this Resolution shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions of this Resolution.

Section 1005. Evidence on Which Trustee May Act. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be counsel to the District, and may rely on an opinion of counsel. Any such opinion of counsel shall be full and complete authorization and protection in respect of any action taken or suffered, or any action not taken, by it in good faith and in accordance therewith, and the Trustee shall not be liable for any action taken or omitted in good faith in reliance on such opinion of counsel. Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or not taking any action under this Resolution, such matter (unless other evidence in respect thereof be hereby specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Representative. Such certificate shall be full warrant for any action taken or suffered, or any action not taken, in good faith under the provisions hereof, but the Trustee may (but shall not be required to) in addition thereto or in lieu thereof require or accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the District to the Trustee shall be sufficiently executed if executed in the name of the District by an Authorized Representative.
Section 1006. Compensation and Indemnification. Unless otherwise provided by contract with the Trustee, the District shall pay or cause to be paid to the Trustee after reasonable notice to the District in light of the compensation sought to be received, reasonable compensation for all services rendered by it hereunder, including, if applicable, its services as registrar, paying agent and transfer agent, and also all its expenses, charges, counsel fees, expenses and other disbursements and those of its attorneys, agents, and employees, incurred in and about the performance of its powers and duties hereunder. The District shall indemnify and save the Trustee harmless against any expenses and liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence, misconduct or failure to comply with the provisions of this Resolution. None of the provisions contained in this Resolution shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. The obligations of the District under this Section to compensate the Trustee, to pay or reimburse the Trustee for expenses, disbursements, charges and counsel fees and to indemnify and hold harmless the Trustee shall survive the satisfaction and discharge of this Resolution. If the monies from the District are not adequate to pay such obligations, the Trustee may, upon written notice to the District, reimburse itself from any moneys in its possession under the provisions of this Resolution (other than monies on deposit in the Rebate Fund, any moneys received pursuant to a drawing upon the Credit Facility, any moneys held for the payment of the purchase price of Bonds tendered or deemed tendered for purchase, or any money on deposit in any irrevocable trust or escrow fund established with respect to any defeased Bonds) and shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

Section 1007. Permitted Acts. The Trustee may become the owner of or may deal in Bonds or may deal with the District as fully and with the same rights as if it were not the Trustee. The 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, the District or any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Resolution, whether or not such committee shall represent the Owners of a majority in principal amount of the Outstanding Bonds in respect of which any such action is taken.

Section 1008. Resignation of Trustee. The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days' written notice to the District, the Credit Facility Provider and the Bondholders, specifying the date when such resignation shall take effect, provided such resignation shall not take effect until a successor is appointed. Such resignation shall take effect upon the date a successor shall have been appointed by the District or a court of competent jurisdiction and shall have accepted such appointment. In the event a Credit Facility is then in effect, in no case shall such resignation be effective until such Credit Facility is transferred to the successor trustee.

Section 1009. Removal of Trustee. The Trustee, or any successor thereof, may be removed with or without cause at any time by the District, if no Event of Default under this Resolution shall have occurred and be continuing, or upon an Event of Default under this Resolution by the owners of a majority in principal amount of Outstanding Bonds, excluding any
Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the District, as received by the Trustee, free and clear of any lien or pledge securing said Bonds or otherwise existing under this Resolution.

Section 1102. Evidence of Signatures of Bondholders and Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys-in-fact appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorneys, shall be sufficient for any purpose of this Resolution (except as otherwise therein expressly provided) if made in any manner satisfactory to the Trustee. Proof of the holding of Bonds on any date shall be provided by the registration books of the District maintained by the Trustee.

(b) Any request or consent by the owner of any Bond shall bind all future owners of such Bond and any Bond issued in exchange therefor in respect of anything done or suffered to be done by the District of any Fiduciary in accordance therewith.

Section 1103. Moneys Held for Particular Bonds. The amounts held by the Trustee for the payment due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the holders of the Bonds entitled thereto.

Section 1104. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Resolution shall be retained in its possession and shall be subject at all reasonable time to the inspection of the District and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

Section 1105. Parties Interested Herein. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the District, the Trustee and the holders of the Bonds, any right, remedy or claim under or by reason of this Resolution of any covenant, condition or stipulation thereof; and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Trustee and the holders of the Bonds.

Section 1106. No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Resolution against any member or officer of the District or any person executing the Bonds, or any employee or agent of the foregoing.

Section 1107. Successors and Assigns. Whenever in this Resolution the District is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Resolution contained by or on behalf of the District shall bind
Section 1015. Trustee May Fix Record Date. The Trustee may, but shall not be obligated to, fix a record date for the purpose of determining the Bondholders entitled to give their consent or take any other action pursuant to this Resolution. If a record date is fixed, then at such record date only those persons (or their duly designated proxies), shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such persons continue to be Owners after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

Section 1016. When Bonds Disregarded. In determining whether the Owners of the required principal amount of Bonds have concurred in any direction, waiver or consent, Bonds owned by the District or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the District shall be disregarded and deemed not to be Outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Bonds which the Trustee knows are so owned shall be so disregarded. Also, subject to the foregoing, only Bonds Outstanding at the time shall be considered in any such determination.

ARTICLE XI

MISCELLANEOUS

Section 1101. Defeasance.

(a) If the District shall pay or cause to be paid to the holders of all Bonds then Outstanding, the Principal Installments and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then at the option of the District, expressed in an instrument in writing signed by an Authorized Representative and delivered to the Trustee, the covenants, agreements and other obligations of the District to the Bondholders shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the District, execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver to the District all moneys, securities and funds held by it pursuant to this Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(b) Bonds for the payment or redemption of which moneys shall have been set aside and held in trust by the Trustee (through deposit by the District of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section. Subject to the provisions of subsection (c) of this Section, all Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section if, in case any of said Bonds are to be redeemed on any date prior to their maturity, (i) the District shall have deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal installments of and/or the interest on which when due, without reinvestment, will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the Principal Installments or Redemption Price, if applicable,
and confirming to it any such moneys, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the District.

Section 1012. Merger or Consolidation of the Trustee. Any company into which the Trustee may be merged or with which it may be consolidated or any company resulting from any merger or consolidation to which it shall be a party or any company to which such Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 1010 (except that the approval of the District shall not be required), shall be the successor to such Trustee, without any further act, deed or conveyance.

Section 1013. Several Capacities. Anything in this Resolution to the contrary notwithstanding, the same entity may serve hereunder as the Trustee and in any other capacities, to the extent permitted by law. The Trustee is hereby appointed to serve initially in the capacity of Trustee.

Section 1014. Co-Trustees.

(a) With the consent of the District and the Credit Facility provider, for the purpose of meeting the legal requirements of any applicable jurisdiction, the Trustee shall have power to appoint one or more persons to act as co-trustee under this Resolution, with such powers as may be provided in the instrument of appointment, and to vest in such person or persons any property, title, right or power deemed necessary or desirable, subject to the remaining provisions of this Section.

(b) Each co-trustee shall, to the extent permitted by applicable law, be appointed subject to the following terms:

(i) The rights, powers, duties and obligations conferred or imposed upon any such trustee shall not be greater than those conferred or imposed upon the Trustee, and such rights and powers shall be exercisable only jointly with the Trustee, except to the extent that, under any law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights and powers shall be exercised by such co-trustee subject to the provisions of subsection (b) (iv) of this Section.

(ii) The Trustee may at any time, by an instrument in writing executed by it and with written notice to the District and the Credit Facility provider, accept the resignation of or remove any co-trustee appointed under this Section.

(iii) No co-trustee under this Resolution shall be liable by reason of any act or omission of any other co-trustee appointed under this Resolution.

(iv) No power given to such co-trustee shall be separately exercised hereunder by such co-trustee except with the consent in writing of the Trustee, anything herein contained to the contrary notwithstanding.
Bonds held by or for the account of the District, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to the District, provided that such removal shall not take effect until a successor is appointed. In the event a Credit Facility is then in effect, in no case shall such removal be effective until such Credit Facility is transferred to the successor trustee. Copies of each instrument providing for any such removal shall be delivered by the District to the Credit Facility provider and the Trustee and any successor thereof.

Section 1010. **Successor Trustee.** In case the Trustee, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge of control of the Trustee, or of its property or affairs, the District, with the prior written consent of the Credit Facility provider, shall forthwith appoint a Trustee to act. Notice of any such appointment shall be delivered by the District to the Trustee so appointed, the predecessor Trustee, and the Credit Facility provider. The District shall give or cause to be given written notice of any such appointment to the Bondholders.

If in a proper case no appointment of a successor shall be made within forty-five (45) days after the giving of written notice in accordance with Section 1008 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder may apply to any court of competent jurisdiction for the appointment of such a successor, and such court may thereupon, after such notice, if any, as such court may deem proper, appoint such successor.

Any successor appointed under the provisions of this Section shall be a bank or trust company or national banking association which is able to accept the appointment on reasonable and customary terms and authorized by law to perform all the duties required by this Resolution, which is approved by the District (unless an event of default under Section 901 exists or unless a successor is appointed by a court pursuant to the above paragraph) and which has a combined capital and surplus aggregating at least $50,000,000 (or such other financial resources acceptable to the District in its sole discretion), if there be such a bank or trust company or national banking association willing to serve as Trustee hereunder.

Section 1011. **Transfer of Rights and Property to Successor Trustee.** Any successor appointed under the provisions of Section 1010 shall execute, acknowledge and deliver to its predecessor, and also to the District, an instrument accepting such appointment, and thereupon such successor, without any further act, deed or conveyance shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request by the District or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of such Trustee in and to any property held by it hereunder, and upon payment of its fees and expenses shall pay over, assign and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth and subject to any indemnification rights of the Trustee hereunder. Should any deed, conveyance or instrument in writing from the District be required by such successor for more fully and certainly vesting in
Section 1006. Compensation and Indemnification. Unless otherwise provided by contract with the Trustee, the District shall pay or cause to be paid to the Trustee after reasonable notice to the District in light of the compensation sought to be received, reasonable compensation for all services rendered by it hereunder, including, if applicable, its services as registrar, paying agent and transfer agent; and also all its expenses, charges, counsel fees, expenses and other disbursements and those of its attorneys, agents, and employees, incurred in and about the performance of its powers and duties hereunder. The District shall indemnify and save the Trustee harmless against any expenses and liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence, misconduct or failure to comply with the provisions of this Resolution. None of the provisions contained in this Resolution shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. The obligations of the District under this Section to compensate the Trustee, to pay or reimburse the Trustee for expenses, disbursements, charges and counsel fees and to indemnify and hold harmless the Trustee shall survive the satisfaction and discharge of this Resolution. If the monies from the District are not adequate to pay such obligations, the Trustee may, upon written notice to the District, reimburse itself from any moneys in its possession under the provisions of this Resolution (other than monies on deposit in the Rebate Fund, any moneys received pursuant to a drawing upon the Credit Facility, any moneys held for the payment of the purchase price of Bonds tendered or deemed tendered for purchase, or any money on deposit in any irrevocable trust or escrow fund established with respect to any defeased Bonds) and shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

Section 1007. Permitted Acts. The Trustee may become the owner of or may deal in Bonds or may deal with the District as fully and with the same rights as if it were not the Trustee. The 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, the District or any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Resolution, whether or not such committee shall represent the Owners of a majority in principal amount of the Outstanding Bonds in respect of which any such action is taken.

Section 1008. Resignation of Trustee. The Trustee, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days' written notice to the District, the Credit Facility Provider and the Bondholders, specifying the date when such resignation shall take effect, provided such resignation shall not take effect until a successor is appointed. Such resignation shall take effect upon the date a successor shall have been appointed by the District or a court of competent jurisdiction and shall have accepted such appointment. In the event a Credit Facility is then in effect, in no case shall such resignation be effective until such Credit Facility is transferred to the successor trustee.

Section 1009. Removal of Trustee. The Trustee, or any successor thereof, may be removed with or without cause at any time by the District, if no Event of Default under this Resolution shall have occurred and be continuing, or upon an Event of Default under this Resolution by the owners of a majority in principal amount of Outstanding Bonds, excluding any
EXHIBIT A

FORM OF DISBURSEMENT REQUEST (GENERAL)

STATEMENT NO. ___ REQUESTING DISBURSEMENT OF FUNDS FROM THE CONSTRUCTION FUND UNDER THE RESOLUTION

Project: ______________________

__________________________

Pursuant to Section 502 of the Resolution, the undersigned Authorized Representative hereby requests and authorizes U.S. Bank National Association, as Trustee, to pay to the District or to the person(s) listed on Schedule A-1 attached hereto out of the moneys on deposit in the Construction Fund the aggregate sum of $__________________ to pay such person(s) or to reimburse the District, as indicated on such Schedule, for Capital Costs of the Projects set forth in the Resolution.

In connection with the foregoing, the undersigned hereby certifies that:

(a) Each item for which disbursement is requested hereunder is properly payable out of the Construction Fund in accordance with the terms and conditions of the Resolution and none of such items has formed the basis for any disbursement heretofore made from the Construction Fund; and

(b) This Disbursement Request and all attachments hereto, including Schedule A-1, shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection and authority to the Trustee for its actions taken pursuant hereto.

Capitalized terms used herein and not otherwise shall have the respective meanings accorded such terms in the Resolution.

This _______ day of __________, 20___.

____________________________________
Authorized Representative
**SCHEDULE A-1**

**DISBURSEMENT SCHEDULE**

TO STATEMENT NO. ____ REQUESTING DISBURSEMENT OF FUNDS FROM CONSTRUCTION FUND PURSUANT TO THE RESOLUTION

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<tr>
<th>PAYEE</th>
<th>AMOUNT</th>
<th>PURPOSE*</th>
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* If disbursement is to pay Costs of Issuance, identify specific costs to be paid.
EXHIBIT B

CERTIFICATE OF TRUSTEE

I HEREBY CERTIFY in connection with the Georgetown Special Taxing District Board of Directors Resolution to Authorize the Issuance of General Obligation Bonds (the "Resolution") that:

1. I am an officer of the bank indicated below holding the position indicated below my signature.

2. The Bank hereby accepts the duties and obligations of Trustee imposed on the Bank as provided in the Resolution. The Bank is qualified to act as Trustee under applicable law and such acceptance has been duly authorized by all necessary corporate action of the bank.

IN WITNESS WHEREOF, I have signed this certificate on behalf of U.S. Bank National Association as of November 22, 2006.

U.S. BANK NATIONAL ASSOCIATION

By __________________________
Name: Cauna M. Silva
Title: Vice President
and inure to the benefit of their respective successors and assigns whether so expressed or not.

Section 1108. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Resolution on the part of the District to be performed should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Resolution.

Section 1109. Payments on Saturdays, Sundays and Holidays. In any case where the date of any payment required to be made under this Resolution shall be a Saturday or a Sunday or shall be, at the place designated for such payment a legal holiday or a day on which banking institutions are authorized by law to close, then such payment shall not be made on such date but shall be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close with the same effect as if made on such prior date.

Section 1110. Effective Date. This Resolution shall take effect, after its adoption, upon its execution by the Authorized Representatives.
Approved as of the 4th day of October, 2006.

GEORGETOWN SPECIAL TAXING DISTRICT

[Signature]

Stephen M. Soler, President

[Signature]

Patricia J. Moisio, Treasurer

ATTEST:

[Signature]

Thomas J. Walsh, Jr., District Clerk