This is a Preliminary Official Statement "deemed final" within the meaning of, and with the exception of certain information permitted to be omitted by, Rule 15c2-12 of the Securities and Exchange Commission, and is otherwise subject to change in accordance with applicable law. The Authority will deliver a final Official Statement in compliance with Rule 15c2-12. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 3, 2026

NEW ISSUE - BOOK-ENTRY ONLY **RATING: S&P: "AA"**

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the Authority (as defined herein) with certain tax covenants described herein, under existing law, interest on the Bonds (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. Based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

$134,690,000*
HUDSON COUNTY IMPROVEMENT AUTHORITY
(County of Hudson, State of New Jersey)
County Secured Lease Revenue Refunding Bonds, Series 2026
(Hudson County Vocational-Technical Schools Project)

Dated: Date of Delivery **Due: May 1, as shown on the inside front cover hereof**

The $134,690,000* aggregate principal amount of County Secured Lease Revenue Refunding Bonds, Series 2026 (Hudson County Vocational-Technical Schools Project), (the "Bonds") will be issued by the Hudson County Improvement Authority (the "Authority") in the form of one certificate for each stated maturity of the Bonds and when issued will be registered in the name of and held by Cede & Co. ("Cede"), as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), an automated depository for securities and a clearing house for securities transactions, which will act as securities depository for the Bonds. See "Description of the Bonds - Book-Entry-Only System" herein. Individual purchases will be made in book-entry-only form (without certificates) in the principal denominations of $5,000 each or any integral multiple thereof.

The Bonds will be dated the date of delivery and will bear interest from such date, payable semiannually on the first day of May and November in each year until maturity or prior redemption, as applicable, commencing May 1, 2027. Interest on the Bonds will be credited to the Participants (as defined herein) of DTC as listed on the records of DTC as of each next preceding April 15 and October 15 (the "Record Dates" for the payment of interest on the Bonds). The principal of and the interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, Edison, New Jersey, the Authority's designated Paying Agent (the "Paying Agent") for the Bonds.

The Bonds will be issued pursuant to: (i) the county improvement authorities law, constituting Chapter 183 of the Laws of New Jersey of 1960 (N.J.S.A. 40:37A-44 *et seq.*), and the acts amendatory thereof and supplemental thereto (the "Act"), (ii) a bond resolution of the Authority entitled "Resolution Authorizing the Issuance of County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project) of the Hudson County Improvement Authority and Determining Other Matters Related Thereto" adopted on March 23, 2016, (the "General Bond Resolution") as supplemented by Resolution 9-2026-8, finally adopted on September 9, 2026 and entitled "Supplemental Resolution Authorizing the Issuance of Not to Exceed $145,000,000 County Secured Lease Revenue Refunding Bonds, Series 2026 (Hudson County Vocational-Technical Schools Project) of The Hudson County Improvement Authority And Determining Various Other Matters In Connection Therewith" (the "Supplemental Bond Resolution" and together with the General Bond Resolution, the "Bond Resolution"), (iii) a certificate of the Chief Executive Officer of the Authority, entitled "Certificate of the Chief Executive Officer of the Hudson County Improvement Authority Providing for the Issuance and Sale of $134,690,000* Aggregate Principal Amount of County Secured Lease Revenue Refunding Bonds, Series 2026 (Hudson County Vocational-Technical Schools Project) and Determining Various Matters Pertaining Thereto" dated November ___ , 2026, exercising powers delegated by the Bond Resolution (the "Award Certificate," and together with the Bond Resolution, the "Resolution"), and (iv) all other applicable law. See "SECURITY AND SOURCES OF PAYMENT" herein.

The Bonds are being issued to provide funds to (a) refund, on a current basis, the Authority's outstanding County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project) originally issued on May 17, 2016, in the principal amount of $160,000,000 (the "2016 Bonds") and (b) pay certain costs of issuance of the Bonds. See "THE COUNTY VOCATIONAL-TECHNICAL SCHOOLS REFUNDING PROJECT AND PLAN OF FINANCE" herein.

The Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturities as described herein.

The Bonds are special obligations of the Authority payable from and secured by (i) the herein defined Revenues of the Authority, which are derived from (a) an original lease and agreement by and between the Authority and the County of Hudson, State of New Jersey (the "County"), dated May 17, 2016 (the "Original Lease Agreement") as amended by a first amendment to the Original Lease Agreement by and between the Authority and the County, dated as of November 1, 2026 (the "First Amendment" and together with the Original Lease Agreement, the "Lease Agreement"), providing for the lease of the Facilities (as defined herein) to the County under which the County is obligated to make Rental payments sufficient, among other things, to pay debt service on the Bonds, and (b) investment income derived from funds held under the Resolution, (ii) an assignment of the Lease Agreement to the Trustee for the Bonds by the Authority and (iii) all monies, securities and funds held or set aside, or to be held or set aside pursuant to the Resolution (except monies in the Rebate Fund which are required to be rebated to the United States government pursuant to the provisions of the Code in order to ensure that interest on the Bonds is not includable in gross income for federal income tax purposes). The timely payment of principal of, redemption premium, if any, and interest on the Bonds is secured by provisions of the Resolution and the Lease Agreement.

THE COUNTY'S OBLIGATION TO MAKE RENTAL PAYMENTS AND PAY OTHER AMOUNTS DUE UNDER THE LEASE AGREEMENT AND TO PERFORM ITS OBLIGATIONS THEREUNDER, IS A VALID AND BINDING, ABSOLUTE AND UNCONDITIONAL OBLIGATION OF THE COUNTY, PURSUANT TO WHICH THE COUNTY IS OBLIGATED TO MAKE SUCH RENTAL PAYMENTS WITHOUT ANY RIGHTS OF SET-OFF, RECOUPMENT OR COUNTERCLAIM THE COUNTY MIGHT HAVE AGAINST THE AUTHORITY, THE TRUSTEE OR ANY OTHER PERSON, WHETHER OR NOT THE FACILITIES ARE USED OR AVAILABLE FOR USE BY THE COUNTY. IF SUCH RENTAL PAYMENTS ARE NOT MADE FROM OTHER SOURCES, SUCH RENTAL PAYMENTS SHALL BE PAYABLE FROM THE LEVY OF *AD VALOREM* TAXES UPON ALL THE TAXABLE PROPERTY IN THE COUNTY WITHOUT LIMITATION AS TO RATE OR AMOUNT. SEE "SECURITY AND SOURCES OF PAYMENT" HEREIN.

THE AUTHORITY HAS NO POWER TO LEVY OR COLLECT TAXES, AND THE BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF NEW JERSEY, THE COUNTY (EXCEPT TO THE EXTENT THE COUNTY IS OBLIGATED TO MAKE RENTAL PAYMENTS PURSUANT TO THE LEASE AGREEMENT) OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY, EITHER LEGAL, MORAL OR OTHERWISE. THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS SOLELY FROM THE REVENUES DERIVED FROM RENTAL PAYMENTS MADE BY THE COUNTY UNDER THE TERMS OF THE LEASE AGREEMENT AND ALL MONEYS, SECURITIES AND FUNDS SET ASIDE PURSUANT TO THE TERMS OF THE RESOLUTION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW JERSEY, THE COUNTY (EXCEPT TO THE EXTENT THE COUNTY IS OBLIGATED TO MAKE RENTAL PAYMENTS PURSUANT TO THE LEASE AGREEMENT) OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds are offered when, as, and if issued by the Authority and delivered to the Underwriter (as defined herein), subject to prior sale, withdrawal or modification of the offer without notice and to approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by its General Counsel, William Matsikoudis, Esq., Jersey City, New Jersey; for the County by Alberico De Pierro, Esq., Jersey City, New Jersey, County Counsel, and by Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, County Bond Counsel; and for the Underwriter by its counsel, Malamut and Associates, LLC, Cherry Hill, New Jersey. It is expected that the Bonds in definitive form will be available for delivery through the facilities of DTC, Jersey City, New Jersey, on or about November 23, 2026.

Dated: November ___ , 2026

Raymond James & Associates, Inc.

* Preliminary, subject to change.

HUDSON COUNTY IMPROVEMENT AUTHORITY
(County of Hudson, State of New Jersey)
$134,690,000*
County Secured Lease Revenue Refunding Bonds, Series 2026
(Hudson County Vocational-Technical Schools Project)

MATURITIES, PRINCIPAL AMOUNTS*, INTEREST RATES, YIELDS AND CUSIP NUMBERS**

Maturity (May 1)	Principal Amounts*	Interest Rates	Yields	CUSIP Numbers**
2027	3,150,000	%	%	443730___
2028	2,880,000			443730___
2029	3,030,000			443730___
2030	3,190,000			443730___
2031	3,355,000			443730___
2032	3,525,000			443730___
2033	3,705,000			443730___
2034	3,895,000			443730___
2035	4,095,000			443730___
2036	4,305,000			443730___
2037	4,525,000			443730___
2038	4,755,000			443730___
2039	5,000,000			443730___
2040	5,255,000			443730___
2041	5,525,000			443730___
2042	5,815,000			443730___
2043	6,130,000			443730___
2044	6,460,000			443730___
2045	6,805,000			443730___
2046	7,180,000			443730___

$42,110,000* _.__% Term Bond, Due May 1, 2051, to Yield _.__% CUSIP: 443730___**

* Preliminary, subject to change.

** A registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Authority does not make any representation with respect to such CUSIP numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity of the Bonds is subject to being changed after the issuance of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

The information set forth herein has been provided by the Authority, the County, The Depository Trust Company, Brooklyn, New York, and by other sources that are believed to be reliable, but the information provided by such other sources is not guaranteed as to accuracy or completeness by the Authority or the Underwriter. Certain general and financial information concerning the County is contained in Appendices A, B and C to this Official Statement. Such information has been furnished by the County. The Authority and the Underwriter have not confirmed the accuracy or completeness of information relating to the County and the Authority and the Underwriter disclaim any responsibility for the accuracy or completeness thereof. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstance, create an implication that there has been no change in the affairs of the Authority or the County since the date hereof.

Where the Constitution or statutes of the State of New Jersey are referred to, reference should be made to such Constitution or statutes for a complete statement thereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

No dealer, broker, salesperson or other person has been authorized by the Authority to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for any such person to make an offer, solicitation or sale.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, or listed on any stock or other securities exchange, and neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the Authority (subject to the limitations set forth above), will have passed upon the accuracy or adequacy of this Official Statement. Any statement to the contrary constitutes a federal criminal offense.

The Official Statement includes the cover page and the Appendices attached hereto. The Underwriter has been authorized by the Authority to print the Bond interest rates and offering yields and its name on the cover page and the inside front cover page hereof, together with the interest rates per annum.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS THEY APPLY TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

HUDSON COUNTY IMPROVEMENT AUTHORITY
830 Bergen Avenue, 9th Floor
Jersey City, New Jersey

MEMBERS

Brian K. Dellabella, Chairperson
Nicholas Goldsack, Vice Chairperson
Frank Lorenzo, Secretary
Edmund J. Shea, Treasurer
James P. Doran, Ed.D
Jeffrey Dublin
Matthew Hayden
Martin T. Martinetti
Frank Pestana

CHIEF EXECUTIVE OFFICER

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EXECUTIVE DIRECTOR

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Cheryl G. Fuller, CPA

BOARD OF COUNTY COMMISSIONERS

Anthony Romano, Chairperson
Fanny J. Cedeno, Vice Chairperson
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CLERK OF THE BOARD OF COUNTY COMMISSIONERS

Carol Jean Doyle

COUNSEL TO THE BOARD OF COUNTY COMMISSIONERS

Edward J. Florio, Esq.

COUNTY CLERK

E. Junior Maldonado

INDEPENDENT AUDITOR

Donohue, Gironda, Doria & Tomkins, LLC
Secaucus, New Jersey

COUNTY BOND COUNSEL

Wilentz, Goldman & Spitzer, P.A.
Woodbridge, New Jersey

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OFFICIAL STATEMENT
of
HUDSON COUNTY IMPROVEMENT AUTHORITY
(County of Hudson, State of New Jersey)

$134,690,000[*] County Secured Lease Revenue Refunding Bonds, Series 2026
(Hudson County Vocational-Technical Schools Project)

INTRODUCTION

This Official Statement which includes the cover page, inside front cover page, footnotes, appendices and material included herein by reference and attached hereto, has been prepared and furnished by the Hudson County Improvement Authority (the "Authority"), a public body politic and corporate of the State of New Jersey (the "State"), situated in the County of Hudson, State of New Jersey (the "County"), in connection with the sale and issuance of $134,690,000[*] aggregate principal amount of County Secured Lease Revenue Refunding Bonds, Series 2026 (Hudson County Vocational-Technical Schools Project) (the "Bonds"). This Official Statement has been executed by and on behalf of the Authority by its Chief Executive Officer and is being distributed in connection with the sale of the Bonds and should be read in its entirety.

The Bonds will be issued pursuant to: (i) the county improvement authorities law, constituting Chapter 183 of the Laws of New Jersey of 1960 (N.J.S.A. 40:37A-44 *et seq.*), and the acts amendatory thereof and supplemental thereto (the "Act"), (ii) a bond resolution of the Authority entitled "Resolution Authorizing the Issuance of County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project) of the Hudson County Improvement Authority and Determining Other Matters Related Thereto" adopted on March 23, 2016, (the "General Bond Resolution") as supplemented by Resolution 9-2026-8, finally adopted on September 9, 2026 and entitled "Supplemental Resolution Authorizing the Issuance of Not to Exceed $145,000,000 County Secured Lease Revenue Refunding Bonds, Series 2026 (Hudson County Vocational-Technical Schools Project) of The Hudson County Improvement Authority And Determining Various Other Matters In Connection Therewith" (the "Supplemental Bond Resolution" and together with the General Bond Resolution, the "Bond Resolution"), (iii) a certificate of the Chief Executive Officer of the Authority, entitled "Certificate of the Chief Executive Officer of the Hudson County Improvement Authority Providing for the Issuance and Sale of $134,690,000[*] Aggregate Principal Amount of County Secured Lease Revenue Refunding Bonds, Series 2026 (Hudson County Vocational-Technical Schools Project) and Determining Various Matters Pertaining Thereto" dated November __, 2026, exercising powers delegated by the Bond Resolution (the "Award Certificate," and together with the Bond Resolution, the "Resolution"), and (iv) all other applicable law.

U.S. Bank Trust Company, National Association, Edison, New Jersey, has been appointed to serve as Trustee, Registrar and Paying Agent for the Bonds (the "Trustee," "Registrar" and "Paying Agent").

[*] Preliminary, subject to change.

The Bonds are being issued to provide funds to (a) refund, on a current basis, the Authority's outstanding County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project) originally issued on May 17, 2016 in the principal amount of $160,000,000 (the "2016 Bonds") and (b) pay certain costs of issuance of the Bonds. See "THE COUNTY VOCATIONAL-TECHNICAL SCHOOLS REFUNDING PROJECT AND PLAN OF FINANCE" herein.

The Bonds are special obligations of the Authority and are payable from and secured by, among other things, the Revenues. "Revenues" means: (a) all revenues, income, rents and receipts derived or to be derived by the Authority, from or attributable to the ownership or leasing of the Facilities pursuant to the provisions of the Lease and Agreement by and between the Authority and the County, dated May 17, 2016 (the "Original Lease Agreement") as amended by a First Amendment to the Original Lease Agreement by and between the Authority and the County, dated as of November 1, 2026 (the "First Amendment" and together with the Original Lease Agreement, the "Lease Agreement"), but not including Additional Rent, as described in Section 5.1(b) of the Original Lease Agreement, and indemnification payments received by the Authority pursuant to Section 5.2 of the Original Lease Agreement; and (b) any investment income which is derived from the investment of any funds that are held by the Trustee.

THE COUNTY'S OBLIGATION TO MAKE RENTAL PAYMENTS AND PAY OTHER AMOUNTS DUE UNDER THE LEASE AGREEMENT AND TO PERFORM ITS OBLIGATIONS THEREUNDER, IS A VALID AND BINDING, ABSOLUTE AND UNCONDITIONAL OBLIGATION OF THE COUNTY, PURSUANT TO WHICH THE COUNTY IS OBLIGATED TO MAKE SUCH RENTAL PAYMENTS WITHOUT ANY RIGHTS OF SET-OFF, RECOUPMENT OR COUNTERCLAIM THE COUNTY MIGHT HAVE AGAINST THE AUTHORITY, THE TRUSTEE OR ANY OTHER PERSON, WHETHER OR NOT THE FACILITIES ARE USED OR AVAILABLE FOR USE BY THE COUNTY. IF SUCH RENTAL PAYMENTS ARE NOT MADE FROM OTHER SOURCES, SUCH RENTAL PAYMENTS SHALL BE PAYABLE FROM THE LEVY OF *AD VALOREM* TAXES UPON ALL THE TAXABLE PROPERTY IN THE COUNTY WITHOUT LIMITATION AS TO RATE OR AMOUNT. See "SECURITY AND SOURCES OF PAYMENT" herein.

Words and terms used herein that are not defined herein, are defined in Appendix C, "COPY OF THE BOND RESOLUTION" and Appendix D, "COPY OF THE ORIGINAL LEASE AGREEMENT AND FORM OF THE FIRST AMENDMENT THERETO." The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to the full text of each document for the complete details of all terms and conditions. All such descriptions and summaries herein are qualified in their entirety by reference to each document.

In accordance with the Local Authorities Fiscal Control Law, constituting Chapter 313 of the Pamphlet Laws of 1983 of the State of New Jersey, the Local Finance Board, Division of Local Government Services of the New Jersey Department of Community Affairs (the "Local Finance Board") reviewed the issuance of the 2016 Bonds (as hereinafter defined) and the undertaking of the County Vocational-Technical Schools Project, and issued favorable findings and recommendations with regard thereto. The Bonds do not require findings from the Local Finance

Board as the Bonds were structured to satisfy the conditions established by the Local Finance Board and set forth in N.J.A.C. 5:31-8.1. The Authority will file a report demonstrating the satisfaction of such conditions with the Local Finance Board within 10 days of the closing of the Bonds.

Section 62 of the Act (the "Estoppel Law") permits the Authority to publish a notice which estops all persons from challenging the validity or authorization of obligations of the Authority, such as the Bond Resolution, if such challenge is brought more than twenty (20) days after the publication of such notice. On October 2, 2026, the Authority disseminated a notice (the "Notice") as permitted and set forth in the Estoppel Law with respect to the Bond Resolution. In accordance with the Estoppel Law, the Notice stated that any action or proceeding of any kind or nature, questioning the validity of any covenants, agreements or contracts provided for or by the Bond Resolution shall be commenced within twenty (20) days after the date of dissemination of such Notice. If no action or proceeding is instituted within such twenty (20) day period, then all persons are barred from instituting such type of action. The twenty-day period expired on October 23, 2026.

THE COUNTY VOCATIONAL-TECHNICAL SCHOOLS REFUNDING PROJECT AND PLAN OF FINANCE

Background

Beginning in 2014, the Board of Education of the Hudson County Schools of Technology (the "HCST") began planning for the replacement of an outdated vocational and technical school facility located in North Bergen New Jersey. Working with the County and the Authority, a plan to construct and finance a new vocational and technical high school facility and related athletic facilities (the "School") was developed utilizing the Authority's statutory powers and the powers vested in County Vocational School District School Construction Law P.L. 2015, c. 68.

The School was constructed and opened in September, 2018, and is located in the Laurel Hill section of the Meadowlands, in the Town of Secaucus within the County. The School consists of a three story structure, situated over an enclosed 184-space parking garage, with approximately 340,000 square feet of educational and related administrative space (the "Facilities").

In 2016, the Authority authorized not to exceed $160,000,000 in County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project) to provide funds to (a) finance the design, construction and equipping of the Facilities, including site work and athletic facilities, (b) pay capitalized interest on the Bonds from their dated date to and including May 1, 2018 and (c) pay certain costs of issuance of the Bonds. The Authority issued its $160,000,000 County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical School Project) (the "2016 Bonds") on May 17, 2016, which 2016 Bonds mature on May 1 in each of the years 2019 through 2036, 2041, 2046 and 2051 and are comprised of serial and term bonds.

To secure the 2016 Bonds, the County, the Authority and the HCST entered into a series of leases covering the Site (as hereinafter defined) and the Facilities. Initially the County and the HCST entered into a ground lease agreement, pursuant to which the County leased the premises

commonly known as Block 5, Lot 2.01 on the approved tax map of the Town of Secaucus (the "Site") to the HCST for a period of 75 years ("Lease 1"); the HCST, pursuant to a sub-ground lease agreement entered into by and between the HCST and the Authority, sub-leased the Site to the Authority for the construction and implementation of the Facilities ("Lease 2"); the Authority, pursuant to a lease and agreement entered into by and between the Authority and the County, leased the Site together with the Facilities to the County at a rental price and for a duration sufficient to pay the debt service due on the 2016 Bonds and pay all other costs of the Authority incidental to Facilities ("Lease 3"); and the County, pursuant to a lease agreement entered into by and between the County and HCST, leased the Site and the Facilities to the HCST ("Lease 4" and together with Lease 1, Lease 2 and Lease 3, the "Leases"), all with the intent that the Facilities will vest in the HCST and that Lease 2, Lease 3 and Lease 4 will terminate when the 2016 Bonds and bonds issued to refund the 2016 Bonds are no longer outstanding and all amounts owing to the Authority in connection with the Facilities have been paid.

Refunding Project

At present, the Authority has the ability to achieve debt service savings compared to the existing debt service for the 2016 Bonds. On September 9, 2026, the Authority adopted Resolution 9-2026-8 entitled "Supplemental Resolution Authorizing the Issuance of Not to Exceed $145,000,000 County Secured Lease Revenue Refunding Bonds, Series 2026 (Hudson County Vocational-Technical Schools Project) of The Hudson County Improvement Authority and Determining Various Other Matters in Connection Therewith" (the "Supplemental Bond Resolution"). Bonds issued under the Supplemental Bond Resolution cannot exceed $145,000,000 in principal amount and must mature on or before May 1, 2051.

The Bonds are being issued for the purpose of (i) refunding, on a current basis, the outstanding 2016 Bonds maturing on May 1 in the years 2027 through 2036 and the term bonds maturing on May 1 in 2041, 2046 and 2051 (collectively the "Refunded Bonds") on December 23, 2026 (the "Redemption Date"); and (ii) paying certain costs and expenses incidental to the issuance and delivery of the Bonds.

Pursuant to an Escrow Agreement ("Escrow Agreement"), dated the date of issuance of the Bonds, between the Authority and U.S. Bank Trust Company, National Association, Edison, New Jersey ("Escrow Agent"), the Authority will irrevocably deposit direct noncallable obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations") with the Escrow Agent, which Government Obligations will bear interest at such rates and will mature at such times and in such amounts so that, when paid in accordance with their terms, sufficient moneys will be available to pay the redemption price of and interest on the Refunded Bonds on the Redemption Date.

The mathematical calculations and adequacy of the deposit providing for payment of the Refunded Bonds will be verified by Wielkotz & Company, LLC, Pompton Lakes, New Jersey, at the time of the delivery of the Bonds. All money and Government Obligations deposited for payment of the Refunded Bonds, including interest thereon, are pledged solely and irrevocably for the benefit of the owners of the Refunded Bonds.

MARKET PROTECTION

The County has in the past guaranteed the payment of principal of and interest on certain indebtedness issued by various municipalities and entities of the County to the Authority. Such County guarantees constitute valid, and legally binding, unconditional obligations of the County and, unless the principal of and interest on such indebtedness is paid from other sources, the County is obligated to make payment from *ad valorem* taxes levied upon all the taxable property within the jurisdiction of the County, without limitation as to rate or amount for the payment of such indebtedness.

It is anticipated that within the next ninety (90) days, the County will guaranty or secure bonds or notes of the Authority for the following issues and in the following amounts: approximately $53,015,000 County of Hudson Guaranteed Housing Revenue Bonds (900 Garfield Avenue Project), Series 2026A, and approximately $62,940,000 County of Hudson Guaranteed Housing Revenue Bonds (900 Garfield Avenue Project), Series 2026B. The Authority does not anticipate selling additional notes or bonds without a County guaranty within the next ninety (90) days. Additionally, the County has approximately $210,954,561 in Bond Anticipation Notes, which mature on February 24, 2027. The County anticipates either rolling over or permanently financing these notes in February 2027.

DESCRIPTION OF THE BONDS

General

The Bonds will be dated the date of their delivery and will mature on the dates and in the amounts set forth on the inside front cover page hereof. The Bonds will bear interest payable semiannually on May 1 and November 1, commencing May 1, 2027 (each an "Interest Payment Date"), in each year until maturity or prior redemption at the interest rates set forth on the inside front cover page hereof. The record dates, as listed on the records of The Depository Trust Company, Brooklyn, New York ("DTC"), the securities depository for the Bonds, for the payment of interest on the Bonds, are each April 15 and October 15 immediately preceding an Interest Payment Date (the "Record Dates"). Principal of, redemption premium, if any, and interest on the Bonds will be payable at the office of the Paying Agent. The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as provided herein.

The Bonds will be issued as fully registered book-entry bonds, and registered in the name of and held by Cede & Co. ("Cede"), as nominee for DTC, which will act as securities depository for the Bonds under its book-entry-only system. An individual purchaser may purchase a Bond in book-entry only form, without certificates, in denominations of $5,000 each or any integral multiple thereof. Provided DTC, or its nominee Cede, is the Registered Owner of the Bonds, the principal of and interest on the Bonds will be paid to DTC or Cede, as its nominee. See "Book-Entry-Only System" below.

Book-Entry-Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or

such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at *www.dtcc.com* and *www.dtc.org*.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or Trustee, on debt service payment dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority or Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

Redemption

Optional Redemption

The Bonds maturing on or before May 1, 2036 shall not be subject to optional redemption prior to their respective maturity dates. The Bonds maturing on or after May 1, 2037 shall be subject to optional redemption prior to their respective maturity dates, on or after May 1, 2036, at the option of the Authority, upon notice as herein described, either in whole or in part at any time in any order of maturity, at a redemption price equal to the par amount thereof (the "Redemption Price"), and accrued interest thereon to the date of redemption.

Mandatory Sinking Fund Redemption[*]

Term Bond Maturing May 1, 2051

Year	Principal Amount
2047	7,560,000
2048	7,970,000
2049	8,400,000
2050	8,850,000
2051[**]	9,330,000

** Final maturity.

Unless otherwise provided in the Bond Resolution, if less than all of the Bonds of like maturity shall be called for prior redemption, the particular Bonds or portions of the Bonds of such maturity to be redeemed shall be selected by lot by the Trustee in the manner set forth in Article VII of the Bond Resolution.

Notice of Redemption

When the Trustee shall be required or shall be authorized, or shall receive written notice from the Authority of its election or direction to redeem the Bonds pursuant to Section 703 of the Bond Resolution, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall specify the maturities of the Bonds to be redeemed, the Redemption Price, 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 of any like maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become

[*] Preliminary, subject to change.

due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal amount thereof (in the case of Bonds to be redeemed in part only), together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be given by mailing a copy of such notice, postage prepaid, not less than twenty-five (25) days prior to the redemption date, to the Registered Owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses appearing upon the registration books of the Authority that are kept and maintained on behalf of the Authority by the Registrar. Failure to give notice by mail, or any defect in notice to the Registered Owner of any Bonds that are to be redeemed shall not affect the validity of the proceedings for the redemption of any other Bonds.

So long as DTC or its nominee is the Registered Owner of the Bonds, notices of redemption shall be sent to DTC and not to any Beneficial Owners of the Bonds.

The Trustee shall also comply with the requirements of DTC to effectuate redemption of the Bonds. Any notice that is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice.

SOURCES AND USES OF FUNDS

The following table sets forth the sources and uses of funds in connection with the issuance of the Bonds:

Sources of Funds:	
Par Amount of the Bonds	$
Plus/Minus Original Issue Premium/Discount	
**Total Sources of Funds ..... **	**$**
Uses of Funds:	
Deposit to Escrow Fund	$
Costs of Issuance [(1)]	
**Total Uses of Funds..... **	**$**

(1) Includes underwriter's discount, legal fees, rating agency fees, fiduciary fees, municipal advisory fees, and other costs and expenses incurred in connection with the issuance of the Bonds.

SECURITY AND SOURCES OF PAYMENT

General

The Bonds are special obligations of the Authority. Payment of the principal, redemption price, if any, and interest on the Bonds and all other Bonds issued and outstanding under the Resolution are secured by (i) the Revenues available for such payments on the Bonds (except such moneys required to be rebated to the U.S. Government) and (ii) all the moneys, securities and funds held or set aside, or to be held or set aside pursuant to or held in any funds or accounts that

are to be held or set aside with respect to the Resolution (except moneys in the Rebate Fund) by the Trustee under the terms of the Resolution. The rights of the Authority to receive payments from the County under the provisions of the Lease Agreement are assigned to the Trustee under the terms of the Resolution. See Appendix D, "COPY OF THE ORIGINAL LEASE AGREEMENT AND FORM OF THE FIRST AMENDMENT THERETO," herein. The term "Revenues" includes: (a) all revenues, income, rents and receipts that are derived or that are to be derived by the Authority from or attributable to the ownership or leasing of the Facilities pursuant to the provisions of the Lease Agreement, including Basic Rent, but not including Additional Rent, (as described in Section 5.1(b) of the Lease Agreement, and indemnification payments received by the Authority pursuant to Section 5.2 of the Lease Agreement); and (b) any investment income which is derived from the investment of any funds that are held by the Trustee.

Funds that are derived or that are to be derived by the Authority from or attributable to the ownership or leasing of the Facilities shall, upon receipt, be deposited by the Trustee into the Revenue Fund (as such term is defined in the Resolution). Pursuant to the assignment contained in the Resolution, payments by the County under the Lease Agreement shall be paid directly to the Trustee and deposited in the Revenue Fund. The Trustee shall make payments therefrom into the Bond Service Fund, the Sinking Fund and the General Fund to the extent any funds are available, but as to each such fund within certain specified limitations. Upon meeting certain requirements for withdrawal of moneys from the General Fund free and clear of any lien or pledge of the Resolution, the Trustee, upon receipt of the written direction of the County, shall withdraw monies from the General Fund and pay such amounts to the County that may be used by the County for any lawful purpose. Subject to the right of the Authority to withdraw moneys from the General Fund as provided above, funds held in the General Fund are pledged under the Resolution for the benefit of the Holders of the Bonds.

Reference is made to Appendix C - "COPY OF THE BOND RESOLUTION" and Appendix D – "COPY OF THE ORIGINAL LEASE AGREEMENT AND FORM OF THE FIRST AMENDMENT THERETO" for a more complete description of the terms of the Bond Resolution and the Lease Agreement, respectively.

The Lease Agreement

Concurrently with the issuance of the 2016 Bonds, the Authority and the County entered into the Original Lease Agreement in order to provide for, among other things, the lease of the Facilities by the County from the Authority, and the payment of Rental payments to the Authority by the County for the County's lease of the Facilities. Concurrently with the issuance of the Bonds, the Authority and the County shall enter into the First Amendment to secure the payment of the principal of and interest on the Bonds.

Pursuant to the terms of the Original Lease Agreement the County shall be required to make Rental payments to the Authority in amounts sufficient to pay or provide for the payment of: (i) debt service on the Bonds and any Additional Bonds, if any; (ii) certain expenses of the Authority and the Fiduciaries; and (iii) certain expenses incurred by the Authority and the County in connection with the Bonds. On August 13, 2026, the County adopted legislation to consent to the issuance of the Bonds and to approve the execution and delivery of the First Amendment.

Obligation of the County

THE COUNTY'S OBLIGATION TO MAKE RENTAL PAYMENTS AND PAY OTHER AMOUNTS DUE UNDER THE LEASE AGREEMENT AND TO PERFORM ITS OBLIGATIONS THEREUNDER, IS A VALID AND BINDING, ABSOLUTE AND UNCONDITIONAL OBLIGATION OF THE COUNTY, PURSUANT TO WHICH THE COUNTY IS OBLIGATED TO MAKE SUCH RENTAL PAYMENTS WITHOUT ANY RIGHTS OF SET-OFF, RECOUPMENT OR COUNTERCLAIM THE COUNTY MIGHT HAVE AGAINST THE AUTHORITY, THE TRUSTEE OR ANY OTHER PERSON, WHETHER OR NOT THE FACILITIES ARE USED OR AVAILABLE FOR USE BY THE COUNTY. IF SUCH RENTAL PAYMENTS ARE NOT MADE FROM OTHER SOURCES, SUCH RENTAL PAYMENTS SHALL BE PAYABLE FROM THE LEVY OF *AD VALOREM* TAXES UPON ALL THE TAXABLE PROPERTY IN THE COUNTY WITHOUT LIMITATION AS TO RATE OR AMOUNT.

The Bonds constitute "Bonds," as such term is defined in the Lease Agreement, and as such, the debt service requirements for the Bonds will be included in the Rental payments that are required to be made to the Authority by the County pursuant to the terms of the Lease Agreement. Rental payments are due and payable on the Business Day that is at least ten (10) days prior to any interest payment date, principal maturity or sinking fund redemption date of any Bonds. See Appendix D, "COPY OF THE ORIGINAL LEASE AGREEMENT AND FORM OF THE FIRST AMENDMENT THERETO" herein for further discussion of the provisions of the Lease Agreement.

Assignment of Lease Agreement

Under the terms of the Resolution, the rights of the Authority to receive payments from the County pursuant to the Lease Agreement are assigned to the Trustee for the benefit of the Holders of the Bonds. The County will pay to the Trustee, at its principal corporate trust office, all payments that are due and payable by the County to the Authority.

Additional Bonds

Under and pursuant to the Resolution, the Authority may issue Additional Bonds on a parity with the Bonds (a) for the purpose of raising funds to pay the Cost of the addition, enlargement, improvement, expansion, repair, reconstruction, restoration or substitution of the Facilities or the acquisition, construction or improvements of any additional Facilities, including any deposit or increase into any fund or account which has been established by the Bond Resolution and which is incidental thereto or which is deemed by the Authority to be necessary in connection therewith, and including payment on or prior to maturity of project notes (including interest thereon) previously issued by the Authority to pay such Costs, (b) for the purpose of refunding any Bonds or (c) to raise funds to complete any work for which Bonds were issued, so long as certain procedural conditions precedent are met, as detailed in the Resolution, and so long as the Lease Agreement is amended to include new Basic Rent payment schedules in amounts sufficient to provide for the payment of debt service on any such Additional Bonds.

Debt Service on the Bonds

Calendar Year	Total Principal	Total Interest	Net Annual Debt Service
2027	$	$	$
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047(1)			
2048(1)			
2049(1)			
2050(1)			
2051(1)			

The County's annual State Debt Service Aid on the 2016 Bonds was 46.25%. Upon the closing on the Bonds, the County will notify the State of the revised debt service and a new annual payment will be calculated. The County anticipates that the percentage of State debt service will remain stable. These anticipated State debt service aid payments are not pledged to payment on the Bonds.

(1) Term Bond maturing on May 1, 2051.

SUMMARY OF CERTAIN PROVISIONS OF LOCAL GOVERNMENT FINANCE LAW

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 *et seq.*)

The Local Fiscal Affairs Law regulates the non-budgetary financial activities of local governments, including counties. An annual, independent audit of the local unit's accounts for the previous year must be performed by a Registered Municipal Accountant licensed in the State. The audit, conforming to the Division of Local Government Services, in the New Jersey Department of Community Affairs (the "Division") "Requirements of Audit," which must be completed within six (6) months after the close of the local unit's fiscal year, includes recommendations for improvement of the local unit's financial procedures. The audit report must also be filed with the Clerk of the local unit and is available for review during regular business hours and shall, within five (5) days thereafter, be filed with the Director of the Division (the "Director"). A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the local unit's receipt of the audit report. Accounting methods utilized in the conduct of the audit conform to practices prescribed by the Division, which practices differ in some respect from generally accepted accounting principles.

The Local Authorities Fiscal Control Law, Chapter 313 of the Laws of New Jersey of 1983 (the "Local Authorities Fiscal Control Law"), provides for "State review of project financing of local authorities and for State supervision over the financial operation of local authorities."

The Local Finance Board, within the Division, shall prescribe the procedures for adoption and execution of annual budgets, and approval must be obtained prior to a budget's adoption and such budget shall also comply with the terms and provisions of any bond resolutions. On granting approval of a budget, the reasonableness and accuracy of revenue estimates are considered. Such revenue must be sufficient to meet all expenses, including debt service. An annual audit is required to be made, and completed within six (6) months of the closing of a fiscal year, by a registered municipal accountant or certified public accountant of the State.

Bond anticipation notes or project notes, containing a recital that they are issued in anticipation of the issuance of bonds, may be issued and may be renewed at any time within three (3) years of the date of the original note issue provided that the local authority submits the terms and conditions of the renewals to the Director of the Division, and the Director fails to disapprove the renewal in writing within ten (10) days of the date of its receipt. After three (3) years from the date of the original issue, renewals are subject to Local Finance Board approval.

A local authority may not be created unless the Local Finance Board so approves and a local authority may not be dissolved without providing for payment of all outstanding indebtedness and without the approval of the Local Finance Board.

Annual Financial Statement (N.J.S.A. 40A:5-12 *et seq.*)

An annual financial statement (the "Annual Financial Statement"), which sets forth the financial condition of a local unit for the fiscal year, must be filed with the Division not later than March 10 after the close of the calendar fiscal year, or not later than August 10 of the State fiscal year for those municipalities that operate on the State fiscal year. The Annual Financial Statement is prepared either by the Chief Financial Officer or the Registered Municipal Accountant for the

local unit. Such Annual Financial Statement reflects the results of operations for the year of the Current and Utility Funds. If the statement of operations results in a cash deficit, the deficit must be included in full in the succeeding year's budget.

Accounting and Reporting Practices

The accounting policies of the local unit must conform to the accounting principles applicable to local governmental units which have been prescribed by the Division. A modified accrual basis of accounting is followed with minor exceptions. Revenues are recorded as received in cash except for certain amounts that may be due from other governmental units and that are accrued. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the local unit's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the local unit that are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue only when received. Expenditures are generally recorded on the accrual basis, except that unexpended appropriations at December 31, unless canceled by the governing body, are reported as expenditures with offsetting appropriation reserves. Appropriation reserves are available, until lapsed at the close of the succeeding fiscal year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are credited to the results of operations. As is the prevailing practice among municipalities and counties in the State, the local units do not record obligations for accumulated unused vacation and sick pay.

The Local Budget Law (N.J.S.A. 40A:4-1 *et seq.*)

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit, including the County, must adopt an annual operating budget in the form required by the Division. Certain items of revenue and appropriation are regulated by law and the proposed operating budget must be certified as approved by the Director prior to final adoption of the budget by the local unit, including the County Board of County Commissioners. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director is required to review the adequacy of such appropriations. Among other restrictions, the Director must examine the budget with reference to all estimates of revenue and the following appropriations: (a) payment of interest and debt redemption charges, (b) deferred charges and statutory expenditures, (c) cash deficit of the preceding year, (d) reserve for uncollected taxes, and (e) other reserves and non-disbursement items. Taxes levied are a product of total appropriations less non-tax revenues. Anticipated non-tax revenues are limited to the amount actually realized from the same source during the previous year unless the Director certifies a higher figure. The Director is empowered to permit a higher level of anticipated revenues, however, should there be sufficient statutory or other evidence to substantiate that the anticipation of such revenues is reasonable.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the Director's budgetary review functions, focusing on anticipated revenues, serve to protect the solvency of all local units. Local budgets, by law and regulation, must be in balance on a "cash basis," i.e., the total of budgeted revenues must equal the total of budgeted appropriations (N.J.S.A. 40A:4-22). If in any year the local unit's expenditures exceed

its realized revenues for that year, then such excess (deficit) must be raised in full in the succeeding year's budget.

In accordance with the Local Budget Law and related regulations, (i) each local unit, with a population of more than 10,000 persons, must adopt and annually revise a six (6) year capital program, and (ii) each local unit, with a population of less than 10,000 persons, must adopt (with some exceptions) and annually revise a three (3) year capital program. The capital program, when adopted, does not constitute the appropriation of funds, but sets forth a plan of capital expenditures that the local unit may contemplate over the next six (6) years or the next three (3) years, as applicable. Expenditures for capital purposes may be made either by ordinances adopted by the governing body which set forth the items and the methods of financing or from the annual operating budget.

Limitation on Expenditures ("Cap Law") (N.J.S.A. 40A:4-45.4)

N.J.S.A. 40A:4-45.4 places limits on county tax levies and expenditures. This law is commonly known as the "Cap Law" (the "Cap Law"). The Cap Law provides that the local unit shall limit any increase in its budget to 2.5% or the Cost-of-Living Adjustment, whichever is less, of the previous year's local unit tax levy, subject to certain exceptions. The Cost-of-Living Adjustment is defined as the rate of annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-of-Living Adjustment is equal to or less than 2.5%, the local unit may, by resolution approved by a majority vote of the full membership of the governing body, provide that the tax rate of the local unit for such year be increased by a percentage rate that is greater than the Cost-of-Living Adjustment, but not more than 3.5% over the previous year's county tax levy. See N.J.S.A. 40A:4-45.14. In addition, pursuant to Chapter 100 of the Laws of New Jersey of 1994 (N.J.S.A. 40A:4-45.15a, -45.15b) and Chapter 74 of the Laws of New Jersey of 2004, counties may "Cap" bank under the Local Budget Law. Local units are permitted to appropriate available "Cap Bank" in either of the next two (2) succeeding years' final appropriations if its actual appropriations in a fiscal year are below the allowable Cost of Living Adjustment.

Additionally, P.L. 2010, c. 44, effective June 13, 2010 (the "Property Tax Act") and applicable to the next budget year following enactment, limits tax levy increases for the local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare cost increases in excess of 2% and extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

The Division has advised that counties and municipalities must comply with both the budget "cap" and the tax levy limitation. Neither the tax levy limitation nor the "Cap Law", however, limits the obligation of the local unit to levy *ad valorem* taxes upon all taxable property within the local unit to pay debt service on its bonds, notes or debt guaranties in connection with capital expenditures, including the Bonds.

THE AUTHORITY

General

The Authority is a public body politic and corporate constituting a political subdivision of the State, established as an instrumentality exercising public and essential governmental functions to provide for the public convenience, benefit and welfare of the citizens of the County. The Authority was created pursuant to the Act and by resolution of the Board of Chosen Freeholders (now known as the Board of County Commissioners) of the County on September 25, 1974. The Authority was established for the purpose of, among other things, providing public facilities, transportation facilities, the acquisition of equipment and the acquisition of property owned by the Federal government. Subsequent amendments to the Act permit the Authority to provide for the construction of convention halls, solid waste disposal facilities, recreation/entertainment centers and low- and moderate-income housing and to serve as a redevelopment agency and provide financing on behalf of certain non-profit entities.

The Authority Board

The Authority consists currently of nine (9) members, each of whom was appointed by resolution of the Board of County Commissioners of the County for a term of five (5) years. The Authority Board members were sworn into office and will serve until the respective dates set forth below:

Name	Office	Term Expires
Brian K. Dellabella	Chairman	February 2027
Nicholas Goldsack	Vice Chairman	February 2027
Frank Lorenzo	Secretary	February 2027
Edmund J. Shea	Treasurer	February 2027
James P. Doran, Ed.D*	Member	January 2026
Jeffrey Dublin*	Member	January 2026
Matthew Hayden	Member	January 2029
Martin T. Martinetti	Member	October 2028
Frank Pestana*	Member	January 2025

* Serving until a successor is appointed.

The daily operations of the Authority are managed by its Chief Executive Officer, Norman M. Guerra, who became the Chief Executive Officer of the Authority on April 1, 2010. Mr. Guerra previously served as the Executive Director of the Authority beginning in April 2003. Michael O'Connor serves as Executive Director of the Authority and Deputy General Counsel. Charles Kairu serves as the Chief Financial Officer of the Authority and William Matsikoudis, Esq., Jersey City, New Jersey, serves as General Counsel to the Authority.

Outstanding Indebtedness of the Authority

The outstanding debt of the Authority (the "Outstanding Debt") as of October 15, 2026 is as follows:

Summary of Outstanding Debt As of October 15, 2026 (Unaudited)	
Issue	**Amount Outstanding**
Lease Revenue Bonds, Series 2004 (Weehawken Pershing Road Project)	$2,945,000
Lease Revenue Bonds, Series 2004A (Harrison Facilities Lease Project)	4,815,000
County Guaranteed Lease Revenue Bonds, Series 2006A-1 (Harrison Stadium Land Acquisition Special Obligation Capital Appreciation Bonds)	27,347,154
Revenue Bonds, Series 2008A (Columbian Arms, Inc. Project)	1,442,682
New Jersey Environmental Infrastructure Trust, Series 2009A (Hudson County IA Harrison Project - Sewer Lines)	2,273,239
New Jersey Environmental Infrastructure Trust, Series 2009A (Hudson County IA Harrison Project - Water Lines)	275,147
County Guaranteed Lease Revenue Bonds, Series 2009C (Hudson County IA Bayonne Redevelopment Agency Project) (Federally Taxable)	3,532,861
County Improvement Bonds, Series 2010 (Hudson County Command Center Project - County General Obligation Recovery Zone Economic Development Bonds) (Federally Taxable)	7,000,000
County Guaranteed Renewable Energy Program Lease Revenue Bonds, Series 2012A (Federally Taxable)	720,000
County Guaranteed Solid Waste System Revenue Refunding Bonds, Series 2012 (Federally Taxable)	24,300,000
County Secured Lease Revenue Refunding Bonds, Series 2013 (Hudson County Plaza Refunding Project)	13,585,000
County Secured Lease Revenue Refunding Bonds, Series 2015 (County Services Building Completion Refunding Project)	8,160,000
Lease Revenue Refunding Bonds, Series 2015 (Bayonne DPW Garage Refunding Project) (Federally Taxable)	4,455,000
County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project)	141,075,000
County Secured Lease Revenue Bonds, Series 2016 (Hudson County Plaza Refunding Project)	4,925,000
Red Bull Area Settlement Bonds, Series 2016	1,693,249
City Guaranteed Lease Revenue Bonds, Series 2018 (Union City School District Parking Project)	7,680,000
County Guaranteed Governmental Loan Revenue Bonds, Series 2018 (Guttenberg General Obligation Bond Project)	14,285,000

County Guaranteed Solid Waste Revenue Refunding Bonds, Series 2019	26,285,000
County Guaranteed Lease Revenue Bonds, Series 2020 (Casino in the Park Project)	6,725,000
Federally Taxable County-Guaranteed Lease Revenue Refunding Bonds, Series 2020 (Skyway Golf Course at Lincoln Park West Refunding Project)	9,425,000
Federally Taxable County-Guaranteed Special Acquisition Refunding Bonds, Series 2020 (830 Bergen Avenue Acquisition Refunding Project)	6,785,000
County Secured Lease Revenue Bonds, Series 2020 (Hudson County Courthouse Project)	311,540,000
County Guaranteed Lease Revenue Bonds, Series 2021 (Casino in the Park Completion Project)	2,270,000
Federally Taxable County Guaranteed Special Obligation Revenue Refunding Bonds, Series 2021 (Weehawken Port Imperial Parking Redevelopment Project)	10,210,000
County Secured Lease Revenue Bonds, Series 2023 (Bayonne High School Project)	20,925,000
County Guaranteed Revenue Bonds, (Bayfront Promenade Project), Series 2025	44,220,000
County Guaranteed Project Notes, Series 2025 (Federally Taxable) (115 Columbus Project)	96,190,517
County Guaranteed Pooled Notes, Series 2026 A-1	16,805,000
County Guaranteed Pooled Notes, Series 2026 A-2 (Federally Taxable)	13,500,000
County Guaranteed Pooled Notes, Series 2026 B-1	47,624,000
County Guaranteed Pooled Notes, Series 2026 B -2 (Federally Taxable)	6,000,000
Total Outstanding Debt	**$889,013,849**

Each issue of the Outstanding Debt is a special and limited obligation of the Authority and has been issued under bond resolutions and secured by project revenues separate from the Resolution and the Revenues. Each issue of the Outstanding Debt does not and will not affect, and will not be affected by, any other bonds or notes issued by the Authority, including the Bonds.

LITIGATION

The Authority

To the knowledge of the Authority's General Counsel, there is not now pending or, to the best of such counsel's knowledge, threatened, any litigation restraining or enjoining the issuance or delivery of the Bonds or in any manner questioning the authority or validity of the Bonds or the proceedings under which the Bonds are to be issued. Neither the creation, organization or existence of the Authority nor the title of any of the present members or other officers of the Authority to their respective offices is being contested. There is no litigation pending or, to such counsel's knowledge, threatened, that in any manner questions the right of the Authority to adopt the Resolution, to secure the Bonds in the manner provided for in such Resolution or to execute the Lease Agreement or any other document in connection with the issuance and delivery of the Bonds.

The County

To the knowledge of the County Counsel, there is not now pending or, to the best of such counsel's knowledge, threatened, any litigation (i) restraining or enjoining the authorization or

adoption of the authorization proceedings for, or enforceability of the Lease Agreement or (ii) of any nature relating to the existence or powers of the County or which if decided unfavorably to the interest of the County would materially adversely affect (a) its financial condition or operations or (b) the validity or enforceability of, or its ability to make payments under, the Lease Agreement. See, however, "LITIGATION - General Litigation" in Appendix A, "GENERAL INFORMATION ON THE COUNTY" for additional information concerning certain litigation affecting the County.

LEGALITY FOR INVESTMENT

The Act provides that: (1) the State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof; (2) all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, which banks, trust companies, and other such institutions are organized and existing under the laws of the State of New Jersey; and (3) all executors, administrators, guardians, trustees and other fiduciaries acting under the laws of the State of New Jersey, may legally invest any sinking funds, monies or other funds belonging to them or within their control in any bonds issued pursuant to the Act and such bonds will be authorized security for any and all public deposits.

PLEDGE OF THE STATE NOT TO LIMIT POWER OF AUTHORITY OR RIGHTS OF BONDHOLDERS

The Act sets forth the pledge, covenant and agreement of the State that it will not limit or alter the rights or powers vested by the Act in the Authority to, *inter alia*, fix, establish, charge and collect its facility charges and to perform and fulfill the terms of any agreements made with holders of bonds or other obligations of the Authority so as to in any way impair the rights and remedies of such holders, until such bonds or other obligations, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged or provided for.

BONDS NOT A DEBT OF THE STATE

The Bonds are not and shall not be in any way a debt, liability or obligation of the State or the County (except to the extent of the County's obligation to make payments under the Lease Agreement) or any political subdivision thereof other than the Authority, either legal, moral or otherwise.

NEGOTIABILITY OF THE BONDS

Section 24 of the Act, N.J.S.A. 40:37A-67, provides that any bond or obligation issued pursuant to the Act, including the Bonds, shall be fully negotiable within the meaning and for all purposes of the negotiable instruments law of the State and each holder or owner of such bond or other obligation, including the Bonds, or of any coupon appurtenant thereto, by accepting such bond or coupon shall be conclusively deemed to have agreed that such bond, obligation or coupon is and shall be fully negotiable within the meaning and for all purposes of said negotiable instruments law.

TAX MATTERS

Exclusion of Interest on the Bonds From Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order to assure that interest on the Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Authority to comply with such requirements may cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds. The Authority will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the Bonds, as to various tax requirements. The Authority has covenanted to comply with the provisions of the Code applicable to the Bonds and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificate and will assume continuing compliance by the Authority with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the Bonds for the purposes of alternative minimum tax.

Assuming the Authority observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC, Bond Counsel to the Authority ("Bond Counsel"), is of the opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If an owner of the Bonds is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Original Issue Discount

Certain maturities of the Bonds may be sold at an initial offering price less than the principal amount payable on such Bonds at maturity (the "Discount Bonds"). The difference between the initial public offering price of the Discount Bonds at which a substantial amount of each of the Discount Bonds was sold and the principal amount payable at maturity of each of the Discount Bonds constitutes the original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Bonds. Under Section 1288 of the Code, the original issue discount on the Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bonds will be increased by the amount of such accrued discount. Owners of the Discount Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest.

Original Issue Premium

Certain maturities of the Bonds may be sold at an initial offering price in excess of the amount payable at the maturity date (the "Premium Bonds"). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Premium Bonds should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Bonds.

Bank-Qualification

The Bonds **will not** be designated as qualified under Section 265 of the Code by the Authority for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of 100% of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues that are eligible to be designated, and that are designated, by the issuer as qualified under Section 265 of the Code, 80% of such interest may be deducted as a business expense by such institutions.

Additional Federal Income Tax Consequences of Holding the Bonds

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income

tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code and interest on the Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Bonds.

Changes in Federal Tax Law Regarding the Bonds

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State of New Jersey. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

State Taxation

Bond Counsel is of the opinion that, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE BONDS ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL DECISIONS AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE BONDS, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

SECONDARY MARKET DISCLOSURE

In accordance with the provisions of Rule 15c2-12, as amended (the "Rule"), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, the Authority and the County will, prior to the issuance of the Bonds, enter into a continuing disclosure agreement (the "Continuing Disclosure Agreement"), the form of which agreement is set forth in Appendix E attached hereto, with Digital Assurance Certification, LLC, Orlando, Florida, as dissemination agent (the "Dissemination Agent"), to provide certain financial information and operating detail relating to the Authority and the County, and to provide notices of the occurrence of certain enumerated events.

Requests for information, data and notices pursuant to this section should be directed to the Authority's Chief Executive Officer, Norman M. Guerra, 830 Bergen Avenue, 9th Floor, Jersey City, New Jersey 07302, (201) 324-6222.

In the event that the Authority fails to comply with its undertaking, the Authority shall not be liable for monetary damages, the remedy being specifically limited to specific performance of the covenants contained in its written undertaking. In addition, a failure by the Authority to comply with the provisions of the Continuing Disclosure Agreement will not constitute an Event of Default under the Resolution, and the Holders and Beneficial Owners of the Bonds are limited to the remedies set forth in the Continuing Disclosure Agreement. However, failure by the Authority to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker or dealer before recommending the purchase or sale of Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The County

Pursuant to certain previous continuing disclosure undertakings, in the previous five (5) years, the County failed to timely file its 2022 annual financial information by one day and the County failed to timely file a notice of financial obligation in January 2024. Such filings have subsequently been made and the required failure to file notices have been provided. The aforementioned continuing disclosure undertakings include undertakings with respect to the issuance of County bonds and notes and undertakings as an "obligated person" with respect to conduit issues. The County has engaged the services of Digital Assurance Certification, L.L.C., to act as dissemination agent to the County with respect to all the County's outstanding continuing disclosure undertakings. This covenant is being made by the County to assist the purchasers of the Bonds in complying with the Rule.

The Authority

Due to delays in the receipt from the State of shared cost data related to its participation in the State health benefits plan, the Authority was unable to timely file its 2024, 2023, 2022, 2021 and 2020 annual financial information and operating data. Such filings have subsequently been made and the required failure to file notices have been provided. The Authority has engaged the services of Digital Assurance Certification, L.L.C., to act as dissemination agent to the Authority with respect to all the Authority's outstanding continuing disclosure undertakings.

MUNICIPAL BANKRUPTCY

The undertakings of the Authority and the County should be considered with reference to 11 U.S.C. §101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and governmental units in general. The Bankruptcy Code permits a municipality, a political subdivision or a public agency or instrumentality of the State that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purposes of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of the petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control by legislation or otherwise, the procedures that a local unit must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, may not be avoided pursuant to certain preferential transfer provisions set forth in the Bankruptcy Code.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a local unit, including the Authority and the County, has the power to file a petition in bankruptcy with any United States court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts, provided, however, the approval of the Local Finance Board, within the Division of Local Government Services, New Jersey Department of Community Affairs, as successor to the Municipal Finance Commission, must be obtained.

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE AUTHORITY OR THE COUNTY EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF IT DID, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCES OF PAYMENT OF AND SECURITY FOR THE BONDS, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee or the Holders of the Bonds upon an Event of Default under the Resolution or any other related financing documents are dependent upon judicial actions that are often based on the discretion of the judge overseeing a proceeding. Administrative delays may also impact the timetable for judicial approval of the exercise of certain remedies. Under

existing law, the remedies provided in such documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by Federal and State laws affecting the rights of creditors generally, and creditors in this type of transaction specifically, including the availability of equitable remedies.

UNDERWRITING

The Bonds are being purchased for reoffering by Raymond James & Associates, Inc. (the "Underwriter"). The Bond Purchase Agreement entered into among the Authority and the Underwriter, dated November __ 2026 (the "Bond Purchase Agreement") provides that all of the Bonds will be purchased if any are purchased. The Bond Purchase Agreement further provides that the purchase price for the Bonds is $_____, reflecting the par amount of the Bonds, [plus/minus] a [net] original issue [premium/discount] of $_____ and an Underwriter's discount of $_____.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, principal investment, trustee services, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed and may in the future perform, various banking and/or financial services for the Authority or the County for which they received or will receive customary fees and expenses.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("Standard & Poor's" or "S&P") has assigned the Bonds the rating of "AA". Such rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained only from Standard & Poor's. There is no assurance that such rating will be retained for any given period of time or that such rating will not be revised downward entirely by such rating agency if in its judgment circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

VERIFICATION OF MATHEMATICAL ACCURACY

Wielkotz & Company, LLC, Pompton Lakes, New Jersey, upon delivery of the Bonds, will deliver to the Authority its verification report indicating that it has verified the mathematical accuracy of computations prepared by the Underwriter relating to the sufficiency of the initial cash deposit to pay the principal of, and redemption premium, if any, and interest on the Refunded Bonds when due upon the Redemption Date.

APPROVAL OF LEGALITY

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority, whose approving legal opinion will be delivered with the Bonds, substantially in the form annexed hereto as APPENDIX F. Certain legal matters will be passed upon for the Authority by its General Counsel, William Matsikoudis, Esq., Jersey City, New Jersey. Certain legal matters will be passed upon for the County by its Counsel, Alberico De Pierro, Esq., Jersey City, New Jersey and by its County Bond Counsel, Wilentz, Goldman & Spitzer, Woodbridge, New Jersey. Certain legal matters will be passed upon for the Underwriter by its counsel, Malamut and Associates, LLC, Cherry Hill, New Jersey.

The various legal opinions or certificates to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion or delivering a certificate, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction, nor does the rendering of an opinion or delivering a certificate guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL STATEMENTS

The financial statements of the County as of December 31, 2025 and 2024 and for the years then ending included in APPENDIX B to this Official Statement have been audited by Donohue, Gironda, Doria & Tomkins, LLC, Secaucus, New Jersey, a firm of independent certified public accountants, as stated in its report appearing in APPENDIX B to this Official Statement.

MUNICIPAL ADVISOR

NW Financial Group, LLC, Bloomfield, New Jersey serves as Municipal Advisor to the Authority with respect to the issuance of the Bonds and has assisted in matters relating to the planning, structuring and issuance of the Bonds. However, NW Financial Group, LLC has not audited or participated in the preparation of the financial or statistical information contained in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion or other assurance with respect thereto.

APPENDICES

APPENDIX A to this Official Statement consists of general information concerning the County which has been provided by the County from public documents of the County and from other public or official documents or publications which are referred to therein. Neither the Authority nor the Underwriter has confirmed the accuracy or completeness of said information, and the Authority and the Underwriter disclaim any responsibility for the accuracy and completeness thereof.

APPENDIX B to this Official Statement contains the audited financial statements of the County as of December 31, 2025 and 2024. Neither the Authority nor the Underwriter has

confirmed the accuracy or completeness of said information, and the Authority and the Underwriter disclaim any responsibility for the accuracy and completeness thereof.

APPENDIX C to this Official Statement consists of a copy of the Bond Resolution.

APPENDIX D to this Official Statement consists of a copy of the Original Lease Agreement and a form of the First Amendment thereto.

APPENDIX E to this Official Statement consists of the form of the Continuing Disclosure Agreement.

APPENDIX F to this Official Statement consists of the form of approving legal opinion of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority. Copies of such opinion will be available at the time of delivery of the Bonds.

MISCELLANEOUS

Certain portions of the information herein are summaries of certain portions of the Resolution, the Lease Agreement, the Continuing Disclosure Agreement and other documents. Such summaries not purporting to be quoted in full are descriptions of certain provisions and are in all respects subject to and qualified in their entirety by express reference to the provisions of the complete documents in their final forms, some of which may be found in full in the Appendices hereto and all of which will be on file and available for examination at the offices of the Authority or the Trustee.

All information, estimates and assumptions herein have been obtained from officials of the Authority, the County, other governmental bodies, trade and statistical services and other sources that are believed to be reliable, but no representations whatsoever are made that such estimates or assumptions are correct or will be realized.

This Official Statement is not to be construed as a contract or agreement between the Authority and the Underwriter or the purchaser or holder of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the County since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness, and is not to be construed as a representation of the same by the Underwriter.

The execution and delivery of this Official Statement has been duly authorized by the Authority.

HUDSON COUNTY IMPROVEMENT AUTHORITY

By: _____
Norman M. Guerra,
Chief Executive Officer

Dated: November __, 2026

APPENDIX A

GENERAL INFORMATION ON THE COUNTY

COUNTY OF HUDSON

General Information

The County of Hudson (the "County" or “Hudson County”), State of New Jersey (the “State” or “New Jersey”) comprises two adjacent peninsulas bounded by Newark Bay, the Passaic and Hackensack Rivers on the west, the Hudson River and New York City on the east, the Kill Van Kull on the south (separating the City of Bayonne and Staten Island, New York) and Bergen County on the north. Hudson County, at 46 square miles, is the smallest of New Jersey’s 21 counties. The resident population of Hudson County is approximately 724,854 as per the 2020 Decennial Census issued by the U.S. Census Bureau. With over 15,758 persons per square mile, Hudson County is the most densely populated county in New Jersey.

Twelve (12) municipalities form Hudson County. They are as follows:

Jersey City	Harrison
Bayonne	Secaucus
North Bergen	Guttenberg
Union City	Weehawken
West New York	East Newark
Kearny	Hoboken

Located between the City of Newark and New York City, the most populous cities of New Jersey and New York, respectively, Hudson County is in an ideal location for industry as well as commerce. It is estimated that one (1) million persons pass through the County each day. Major transportation arteries that service the County are the New Jersey Turnpike and other regional and interstate highways, the Lincoln and Holland Tunnels and various inter-county motor and rail links, including the Port Authority Trans-Hudson Railway ("PATH") connecting Manhattan with New Jersey. The County is also within a short travel distance of Newark Liberty International Airport in New Jersey and John F. Kennedy International and LaGuardia Airports in New York. Within the County borders are trunk-line railroads, motor freight transport facilities, deep water shipping ports and dockside warehouses that play an important role in exporting goods into world markets and importing raw materials and finished products for distribution throughout the United States.

Although the geographical boundaries of the County have not changed since it was created in 1840, internal,-undeveloped marshland and underdeveloped waterfront areas are being changed to meet both the demand of technological advancement in industry and commerce, as well as the housing needs of the County's population.

County Government

Each county government in New Jersey derives its power as a separate unit of government from the Constitution of the State and State laws.

Counties, however, do not have sovereign power and may not, for instance, pass laws or ordinances that are not consistent with State laws or regulations. This form of government is supported by taxes levied by the governing body of the County and is apportioned among the municipalities that comprise the County according to the ratio of their equalized taxable ratables.

Counties were established in New Jersey around 1675 when small villages and communities combined to establish joint judicial and penal systems because it would be economically impractical for each to have a duplicate system.

Today, county government has complex responsibilities which include, but are not limited to, operating large institutions for the treatment of mental diseases, nursing homes, correctional facilities for those awaiting trial and serving sentences, courthouses for the prosecution of criminal cases and trial for civil matters, police departments and many other services.

Hudson County's Form of Government

On November 3, 1975, the citizens of Hudson County voted to change the form of government, whereby a County Executive is elected at-large and the members of the Board of County Commissioners are elected by district.

This form of government officially is known as the "County Executive Plan" under the Optional County Charter Law, N.J.S.A. 40:41A-1 et seq., as amended and supplemented (the “Optional County Charter Law”).

Under the Optional County Charter Law, the County adopted an Administrative Code which establishes the administrative framework of the County, setting forth principles of policy, establishing administrative, operational and organizational forms to conduct County business, providing penalties for violations of the Code and, in effect, serving as the constitution and by-laws under which the County operates.

The County Executive is the chief executive officer of the County and, as such, is required to supervise, direct and control all County administrative departments and to enforce the charter and all laws applicable to the County as well as all ordinances and resolutions adopted by the County. The County Executive's term of office is four (4) years.

The legislative power of the County is vested in the Board of County Commissioners, which is responsible for the adoption of ordinances and resolutions and, in certain designated instances, to give its advice and consent on appointments made by the County Executive.

County Officials

County Executive

Born in Weehawken and raised in Jersey City, Hudson County Executive Craig Guy has spent his entire life in Hudson County and has dedicated his life to public service. As a Jersey City police officer for more than 25 years, he rose to the rank of Lieutenant and worked closely with community groups and civic leaders throughout the city. He then served as Deputy Chief of Staff and Chief of Staff to his predecessor for 21 years, working to improve public education, expand parks and open space, spur economic development, and enhance senior and veterans’ services. As President of Hudson County Schools of Technology Board of Education for 16 years, he spearheaded construction of a new state-of-the-art High Tech High School campus in Secaucus and was a leader in the creation of Liberty Science Center High School, a world-class magnet STEM academy that will be part of SciTech City, a major hub of learning and innovation being developed in Jersey City.

County Administrator

On December 30, 2002, Abraham Antun was appointed to serve as Hudson County Administrator.

Previously, he served as Deputy Commissioner of the New Jersey Department of Community Affairs from February 2002 to December 2002. Mr. Antun was originally appointed as Hudson County Administrator in February 1999 and served in that capacity until February 2002. He also served as the Director of the Department of Finance and Administration from 1988 until February 2002.

Mr. Antun is a graduate of St. Peter's College with a Bachelor of Science in Accounting and Economics. He also holds a Master of Business Administration from Seton Hall University. He is licensed by the State as a Certified Municipal Finance Officer, Certified County Finance Officer and Certified Tax Collector.

County Counsel

Alberico De Pierro was appointed to serve as County Counsel in June of 2025. Prior to joining the Hudson County Counsel's Office in August of 2016, Mr. De Pierro was employed in private practice with the De Pierro Radding, LLC firm in Bloomfield, New Jersey. He is also a Trustee with the Hudson County Bar Association and a member of the Attorney Ethics Committee in District VI. Mr. De Pierro is a graduate of Saint Peter's College with a Bachelor of Science in Political Science and is also a graduate of New York Law School receiving a Juris Doctorate. He is admitted to the New Jersey State Bar and the Federal District Court for the District of New Jersey.

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Director of Finance and Administration

Cheryl G. Fuller has been with the County of Hudson and served in various positions since 1988. From 1988 to 1996, she held the position of Division Chief of Accounts and Controls in the Department of Finance and Administration and more recently served as the Deputy Director of the Department. Ms. Fuller has also served as Business Administrator, City Manager and CFO for various New Jersey municipalities. Prior to employment in New Jersey local government she worked in public accounting for seven years.

Ms. Fuller is a graduate of Rutgers University with a Bachelor of Science in Accounting and Economics. She is licensed by the New Jersey Board of Accountancy as a Certified Public Accountant. She is also licensed by the State of New Jersey as a Certified Municipal Finance Officer, Certified County Finance Officer and formerly served as a Qualified Purchasing Agent.

Commissioner Chairperson

Anthony L. Romano began serving on the County Commissioners in January of 2009; he served as Chairman in 2013. A lifelong resident of the City of Hoboken, he has dedicated his life to advancing the interests of the public. He served on the Hoboken Board of Education from 2006–2009.

Commissioner Romano graduated from St. Peter's University with a B.A. in History and M.S. in Criminal Justice from New Jersey City University. He later went on to complete the Command and Leadership Program at West Point and teaches as an Adjunct Professor at Saint Peter's University.

Commissioner Romano currently serves as Chairman of the Board's Public Safety Committee, Economic Development and Housing Committee, and the Senior Citizens & Veterans Affairs Committee. He is a member of the Hudson County Community College Board of Trustees and its Board of School Estimate, and also serves as a member of the Board's Education Committee, Finance, Budget & Administration Committee, Public Resources Committee, and Tourism and Cultural Affairs Committee.

Commissioner
Vice Chairperson

Fanny J. Cedeño is a resident of Union City where she lives with her husband. She graduated from Emerson High School and is a graduate of Seton Hall University where she obtained a BA in Political Science with a minor in Diplomacy and International Relations. County Commissioner Cedeño started her career in public service by volunteering at a non-profit that provides help with immigration. Currently, she handles constituent relations for the Union City Mayor's Office. Helping her community has always been a priority for her. She was appointed to the Hudson County Board of County Commissioners, representing District 6, in January 2020, replacing County Commissioner Tilo E. Rivas.

Chairperson
Pro Tempore

William O'Dea was elected Commissioner in September 1997. Now serving his eighth full term, County Commissioner O'Dea is the Chairperson of the Public Resources Committee; a member of the following committees: Taskforce on the Homeless; and Liaison to the Workforce Investment Board. This native of Jersey City has previous experience as an elected official, having served two consecutive terms, elected in 1985 and 1989, as a Jersey City Councilman. Currently, Bill O'Dea is Deputy Executive Director of the Elizabeth Development Company, considered the best-administered Enterprise Zone development company in the country. County Commissioner O'Dea is a graduate of St. Peter's Preparatory in Jersey City, where he won the Silver Medal in Oratory Competition and the Silver Medal in Business Law. For his many academic successes, he was included in Who's Who Among American High School Students. Bill graduated magna cum laude with a Bachelors of Science degree from St. John's University. He won Gold Key Awards as a top student in criminal justice and in political science.He was named to "Who's Who in International Business" in 2005 and to "Who's Who in America" in 2006.

County Commissioners

The legislative body of each county in New Jersey is the Board of County Commissioners. In other states, officials holding similar office are known as county supervisors or commissioners.

Hudson County has a nine (9) member Board of County Commissioners, each of whom is elected within a district. The districts are equally proportioned based on population. The board selects one of its members to serve as chairperson, one as vice-chairperson and one as chairperson pro-tempore for a period of one (1) year. The Commissioners' elected term of office is three (3) years.

The legislative power of the County is vested in the Board of County Commissioners. Under the Optional County Charter Law approved by the voters in 1975, the Board of County Commissioners, among other things:

a. Shall advise and consent to all appointments by the County Executive for which board confirmation is specified under the charter.

b. Shall pass whatever ordinances and resolutions it deems necessary and proper for the good governance of the County.

c. Appoints a clerk to the board who serves at the board's pleasure and who keeps the records and minutes of the board.

d. May pass resolutions of disapproval or dismissal.

e. May override a veto of the County Executive by a two-thirds vote.

f. Approves the annual operating and capital budgets.

Public and Non-Public Schools

In the 2026/2027 school year, Hudson County's 12 municipalities had 14 Charter Schools, 84 Early Childhood Centers, 83 public elementary schools, 19 middle schools and 33 high schools. Supplementing these are 2 public special education schools, 2 private schools for the disabled, 6 adult/evening high schools and 1 satellite schools of technology. There are an additional 56 private schools throughout the County, including religious affiliated schools.

In addition, there are institutions of higher learning such as Stevens Institute of Technology (an engineering college), New Jersey City University, St. Peter's College and Hudson County Community College, which awards a two-year Associate Degree.

Vocational-technical education has long been regarded as important to industrial growth within the County. In Bayonne, North Bergen, Harrison, Hoboken, Union City, West New York, Kearny and Jersey City there are vocational education programs for high school students. Vocational education is also provided to adults through the Hudson County Schools of Technology adult evening and adult high school programs.

As of July 2021, there were 99 registered family day care providers and 323 licensed childcare centers registered with the Urban League of Hudson County of which 87 participate in the Pre-K (Abbott) Program in Hudson County.

Source: The Urban League of Hudson County, the New Jersey Department of Education - New Jersey School Directory and the Archdiocese of Newark's School Statistics.

Transportation

General

Hudson County lies on six (6) waterways: the Passaic River, Newark Bay, Kill Van Kull, New York Harbor, the Hackensack River and the Hudson River. Separated physically from Manhattan by the Hudson River, the County is connected via the Holland Tunnel from Jersey City, the Lincoln Tunnel from Weehawken and the PATH, a modernized rapid transit system with two sets of rail tunnels, below the Hudson River, and six (6) stations in Hudson County located in Jersey City, Hoboken and Harrison.

Air

Within 15 minutes travel time from Hudson County, Newark Liberty International Airport (served by major airlines) has one of the largest and most comprehensive airfreight and new passenger terminals in the eastern United States. "Air Train", the airport's monorail completed in October 2001, connects to the Northeast Corridor Line of New Jersey Transit and Amtrak.

Newark Liberty International Airport is undergoing a redevelopment program. Following the completion of its $2.7 billion cornerstone project in 2023, which received immediate accolades, the airport is now allocating an additional $110 million toward an expansion of Terminal A. The new terminal will have more space for larger aircraft, and 33 gates which are "common use" with computer systems available to be shared by any airline. Terminal B, which opened in 1973 and is currently operating well over capacity, has been approved for a $200 million interim modernization program. An initial authorization of $75 million was approved in May 2026. A $3.5 billion replacement of the airport's Air Train system with a new 2.5-mile automated guideway system targeted for operational status by 2030.

The $45 billion 2026-2035 Capital Plan will continue the agency's strong momentum and finish what was started in the 2017-2026. This includes the rehabilitation of runways, taxiways, terminal electrical and HVAC system upgrades, and security systems enhancements.

Rail

New Jersey Transit has an extensive rail system providing passenger service throughout New Jersey and into New York Penn Station. The Hoboken Terminal and Secaucus Junction are currently New Jersey Transit's only stations in Hudson County, but both are major hubs in New Jersey Transit's system. These stations serve to provide convenient and frequent direct or connecting routes to all destinations served by the New Jersey Transit rail system, with Secaucus Junction connecting all but one of New Jersey Transit's ten (10) passenger rail lines. The Hoboken Terminal has connections to the Hudson-Bergen Light Rail, PATH train, and NY Waterway Ferry.

New Jersey Transit currently runs seven (7) separate direct routes to and from Hoboken Terminal:

Bergen County Line	Montclair-Boonton Line	Morristown Line
Main Line	Pascack Valley Line	
North Jersey Coast Line	Gladstone Branch	

New Jersey Transit currently runs eight (8) separate direct routes to and from Secaucus Junction:

Bergen County Line	North East Corridor Line	North Jersey Coast Line
Morristown Line	Pascack Valley Line	Montclair-Boonton Line
Gladstone Branch	Main Line	

New Jersey Transit also manages the Hudson-Bergen Light Rail, which currently operates daily among twenty four (24) stations from West Side Avenue, Jersey City, 8th Street, Bayonne to Tonnelle Avenue, North Bergen. The Light Rail was extended southward in 2011 and now terminates at 8th Street in Bayonne.

The PATH is a rapid rail system that operates within Newark, Harrison, Jersey City and Hoboken in New Jersey and six (6) stations across the Hudson River in New York. The PATH system has thirteen

(13) rail stations in total throughout northeastern New Jersey and Manhattan. A temporary station at the World Trade Center reopened on November 23, 2003. A new World Trade Center Transportation Hub opened on March 3, 2016. Designed by Santiago Calatrava, the architecturally significant transportation center known as the Oculus includes a 365,000 square foot shopping mall with 125 retail spaces and connects through a system of underground passageways to office buildings in the World Trade Center Complex, the Brookfield Place shopping mall and World Financial Center office complex, as well as of thirteen (13) lines of the New York City Subway both on site and at the nearby Fulton Center.

In 2018, the Port Authority completed upgrading all signals on the PATH system and installing Positive Train Control on all cars and lines. Positive Train Control is a computerized communications system which will allow for trains to run closer together and more frequently, increasing system capacity, and will improve safety by automatically shutting down trains traveling too fast or too close together.

A new, entirely rebuilt $265 million station at Harrison opened for westbound service on October 30, 2018 and for eastbound service on June 15, 2019. The reconstructed station features wider and longer platforms which will be able to accommodate 10 car trains.

A project to expand and enhance the PATH system is currently underway. New elevators and escalators, increased ADA accessibility upgrades, as well as flood proofing measures, are under construction at the Exchange Place, Grove Street, Hoboken, and Newport Stations. The PATH Improvement Plan launched in June 2019 is intended to reduce delays and increase capacity and reliability. Modifications to stations on the Newark to World Trade Center line will allow for 9 car trains, and 72 new cars will be purchased for the system, which is expected to increase capacity by 40% on the line by 2022. Extension of the Grove Street Station to lengthen the platforms to allow 9 car trains began in March 2020. Future reconstruction to lengthen platforms at stations to accommodate 10 car trains is under consideration.

Ferry

New York Waterway offers frequent and convenient ferry service into and out of Manhattan from Weehawken, Hoboken and Jersey City to Brookfield Place and Pier 11/Wall Street in lower Manhattan, where connection is available to NYC Ferry, New York Water Taxi, and additional New York Waterway routes, and to West 39th in midtown Manhattan, where free transfer is available to a variety of "loop" buses.

Liberty Landing Ferry operates one ferry route between Liberty Landing Marina and Warren Street in Jersey City to Brookfield Place/World Financial Center in Manhattan.

Bayonne received $650,000 from the federal Passenger Ferry Grant Program in 2018 to construct a ferry terminal. In February 2020, Bayonne authorized a lease from the Port Authority of New York and New Jersey for a ferry terminal at the Military Ocean Terminal at Bayonne. Bayonne has also made an agreement for Seastreak, LLC to operate a ferry service. Details of the agreement and service are currently in discussion.

During 2020-2021, the Hudson County Division of Planning led a study to analyze the demand for additional passenger ferry services in Hudson County through the Ferry Service Expansion Study. The final study report was released in July 2021.

Bus

Hudson County is well served by a comprehensive local and regional bus network. An extensive public/private system of bus routes provides intra-county and intra-state service via many local routes.

Major Highways

Hudson County is at the center of the region's highway network, with multiple major routes passing through and serving the County. NJ Route 495 and NJ Route 139 provide connections to New York City via the Lincoln and Holland Tunnels. NJ Route 3 and NJ Route 7 provide east-west connections between the two sections of the County and to other areas of New Jersey. U.S. Routes 1 & 9, NJ Route 440 and the New Jersey Turnpike (Interstate 95) link the County to other areas in New Jersey and to the State of New York. Interstate Route 78 (and its connecting highway NJ Route 185), and Interstate Route 280 provide western links within the State and to destinations beyond.

Connecting the Hudson County peninsula's heavy industrial and waterfront areas is the 8-mile Newark Bay - Hudson County extension of the multi-lane New Jersey Turnpike. The Turnpike interchanges listed below provide direct access and physical proximity to New York City and other key market areas:

14	–	Newark, New Jersey	Newark Liberty International Airport
14A	–	Bayonne	Port Jersey: a deep-water container-ship seaport and industrial park and Military Ocean Terminal Bayonne
14B	–	Jersey City	Liberty State Park: the largest urban state park, bordering the Statue of Liberty and Ellis Island
14C	–	Jersey City	Business and residential sections, Holland Tunnel

The County is also served by the main line of the New Jersey Turnpike, which includes eastern and western spurs. The following exits are located within Hudson County:

15W	–	Kearny	Interstate 280, Newark, Kearny
15X	–	Secaucus	Frank R. Lautenberg Secaucus Junction Station
17	–	Secaucus	NJ Route 3, Meadowlands Sports Complex, American Dream Meadowlands

Seaport

Port Jersey Industrial Marine Center, split between Bayonne and Jersey City, is divided into a 100-acre industrial park and a modern 310-acre container port with bulk capabilities, roll-on, roll-off and break-bulk facilities. The adjacent ExpressRail Port Jersey Intermodal Complex comprises 8 tracks for loading and unloading cargo from the terminal and connects with the region's main freight rail network. Port Jersey's geographic location provides excellent access to the sea from the Port of New York's Upper Harbor.

Communications

Newspapers

The Star Ledger, which is widely circulated in the New York City and New Jersey metropolitan areas, is now only available in digital format. The Observer is a local publication that serves Hudson County.

Postal Facilities

One of the largest postal distribution facilities in the entire northeastern United States is located in Jersey City. Additionally, the USPS New Jersey Priority Mail Processing Center is located in Kearny. Local delivery is made from 33 offices throughout the County. Private delivery services UPS and FedEx both have shipping and distribution centers in Secaucus.

Telephone

Verizon New Jersey provides the majority of telephone access lines in the State. It provides voice, data, and fiber optic cable service to residential and business customers.

Electricity and Gas

Public Service Electric & Gas Company ("PSE&G") supplies electric and/or gas service throughout Hudson County and in a 2,500 square mile corridor between New York and Philadelphia. The company is the nation's third largest electric and gas utility. The utility uses fossil fuel generating stations, nuclear power, gas turbines, and pumped storage hydroelectric facilities. Increased reliability is obtained by the company's participation in the Pennsylvania-New Jersey-Maryland (PJM) power pool. PSE&G also supplies natural gas service to the customers in its service area. The bulk of the gas supply is from pipelines from the southwest United States.

Fuel Oil

Hudson County's fuel oil requirements are supplied from various locations. There are three (3) waterfront terminals with ample storage facilities and more than ten (10) reliable retailers who are capable of trucking oil to customers from one (1) of the terminals located in Jersey City, Bayonne or nearby Port Newark, which boasts terminals owned by most major oil companies in the United States.

Solid Waste

In accordance with its designation as a solid waste management district under the Solid Waste Management Act, the County developed a comprehensive plan for solid waste management within the Hudson County Solid Waste Management District. The original Hudson County Solid Waste Management Plan (the "County Plan") was adopted by the Hudson County Board of County Commissioners (the "County Commissioners") on April 11, 1979 and was approved by the New Jersey Department of Environmental Protection ("DEP") on April 26, 1979. By Ordinance dated November 18, 1985, the County Commissioners designated the Hudson County Improvement Authority as the sole agency responsible for the implementation of the County Plan.

The County Plan has been amended from time to time to encompass significant changes in the Hudson County Solid Waste Management System (the "Solid Waste System") and, as required by the Solid Waste Management Act, to provide adequate planning for the disposal of all solid waste generated in the County. Most recently the County Plan has been amended in response to Atlantic Coast Demolition & Recycling, Inc. v. Board of County Commissioners of Atlantic County, et al., 112 P.3d 652 (1997) ("Atlantic Coast").

The Hudson County Improvement Authority currently has outstanding $63,165,000 in solid waste system revenue bonds relating to the development of the County Solid Waste System and compliance with state mandated solid waste disposal policies. The current County Plan provides, among other things, for the disposal of all in-County generated type 10 solid waste at SWT&R in Newark and solid waste types 13, 23, 25 and 27 at the New Jersey Meadowlands Commission in Lyndhurst.

The County, in order to fulfill its obligations under its Contingent Sale or Lease Agreement with the Hudson County Improvement Authority, issued $33,000,000 in bond anticipation notes over a three year period beginning in 2001, for the purchase of the former resource recovery facility located in Kearny, New Jersey and commonly known as the Koppers Site (the "Koppers Site"). The $33,000,000 in original note proceeds was paid to the Hudson County Improvement Authority for the Koppers Sites and permanently financed in 2012 and 2013. These bonds were retired in October of 2019. The Hudson County Improvement Authority and Hudson County are currently participating in a cooperative effort to sell the site.

Water

The water supply to Hudson County municipalities is either directly provided by or managed through a contract by Suez Water, with the exception of Harrison, which receives its water from the Passaic Valley Water Commission, and East Newark, which receives its water from the North Jersey District Water Supply Commission.

Sewerage

Generally, sewerage operations for Hudson County residents are administered by sewerage authorities either comprised of individual municipalities or groups of neighboring municipalities. Sewerage for Jersey City, Bayonne, Kearny, Harrison and East Newark is processed by the Passaic Valley Sewerage Commission. Sewerage for Hoboken, Union City, Weehawken and West New York is processed by the North Hudson Sewerage Authority. Sewerage for North Bergen and Guttenberg is processed by the North Bergen Municipal Utilities Authority. Sewerage for Secaucus is processed by the Secaucus Municipal Utilities Authority.

Sources: Economic Profile of Hudson County, Hudson County Chamber of Commerce and Industry, City of Bayonne Water and Sewer Departments, Town of Harrison Sewer Department, and Kearny Water Services. County of Hudson Department of Finance and Administration.

POPULATION OF THE COUNTY

Resident Population

Municipality	1950	1960	1970	1980	1990	2000	2010	2020	Land Area (Sq. Mi.)
Bayonne	77,203	74,215	72,743	65,047	61,444	61,842	63,024	71,686	5.80
East Newark	2,173	1,872	1,922	1,923	2,157	2,377	2,406	2,594	0.10
Guttenberg	5,566	5,118	5,754	7,340	8,268	10,807	11,176	12,017	0.20
Harrison	13,490	11,743	11,811	12,242	13,425	14,424	13,620	19,450	1.20
Hoboken	50,676	48,441	45,380	42,460	33,397	38,577	50,005	60,419	1.28
Jersey City	299,017	276,101	260,350	223,532	228,537	240,055	247,597	292,449	14.79
Kearny	39,952	37,472	37,585	35,735	34,874	40,513	40,684	41,999	8.77
North Bergen	41,560	42,387	47,751	47,019	48,418	58,092	60,773	63,361	5.13
Secaucus	9,750	12,154	13,228	13,719	14,061	15,931	16,264	22,181	5.82
Union City	55,537	52,180	57,305	55,593	58,012	67,088	66,455	68,589	1.28
Weehawken	14,830	13,504	13,383	13,168	12,385	13,501	12,554	17,197	0.80
West New York	37,683	35,547	40,627	39,194	38,125	45,768	49,708	52,912	1.01
Hudson County	647,437	610,734	607,839	556,972	553,099	608,975	634,266	724,854	46.19

Source: 2000 Census of Population and Housing New Jersey and 2010, 2020 Decennial Census U.S. Census Bureau

PROJECTED POPULATION OF THE COUNTY

	Census on April 1	Estimates July 1	Projections to July 1	Population	Rate of Growth
Hudson County	724,854	718,700		718,700	-.85%
			2029	747,400	3.11%
			2034	766,500	2.56%

Source: State of NJ Department of Labor and Workforce Development, Labor Market Information, Demographics, Labor Force Projections

TOTAL HOUSING UNITS
BY MUNICIPALITY
1980-2020

Municipality	1980	1990	2000	2010	2020	Percent Change 1980-1990	Percent Change 1990-2000	Percent Change 2000-2010	Percent Change 2010-2020
Bayonne	26,363	26,468	26,826	27,799	29,727	0.40%	1.35%	3.23%	6.94%
East Newark	696	755	799	794	920	8.48	5.83	0.38	15.87
Guttenberg	4,061	4,504	4,650	4,839	5,142	10.91	3.24	12.75	6.26
Harrison	4,618	5,120	5,254	5,228	8,594	10.87	2.62	-5.56	64.38
Hoboken	16,821	17,421	19,915	26,855	30,202	3.57	14.32	27.12	12.46
Jersey City	87,999	90,723	93,648	108,720	130,992	3.1	3.22	14.19	20.49
Kearny	13,301	13,435	13,872	14,180	15,392	1.01	3.25	3.06	8.55
North Bergen	19,375	21,274	22,009	23,912	25,079	9.8	3.45	5.34	4.88
Secaucus	5,502	6,013	6,385	6,846	9,316	9.29	6.19	-0.52	36.08
Union City	21,500	22,592	23,741	24,931	26,455	5.08	5.09	3.58	6.11
Weehawken	5,208	5,583	6,159	6,213	9,089	7.2	10.32	0.84	46.29
West New York	15,832	15,794	17,360	20,018	21,798	-0.24	9.92	10.93	8.89
Hudson County	221,276	229,682	240,618	270,335	312,706	3.80%	4.76%	10.07%	15.67%

Source: 2000 Census of Population and Housing New Jersey and 2010, 2020 Decennial Census Occupancy Status, U.S. Census Bureau.

Housing Activity

The following table shows the number of dwelling units authorized by building permit in Hudson County through the years 2014 – Year- to Date Dec 2025.

Dwelling Units Authorized by Building Permit

Type	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Building Permits	4,621	5,060	4,164	5,073	4,617	7,707	6,950	5,257	6,056	5,312	5,310	3,352
Single Units	272	400	338	243	1,065	2,070	235	416	355	444	949	248
Multi Units	4,349	4,660	3,826	4,830	3,552	5,637	6,715	4841	5,701	4,868	4,361	3,104

Source: U.S. Bureau of the Census, Manufacturing and Construction Division. State of New Jersey Department of Labor and Workforce Development

Municipality	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Bayonne	193	188	63	558	757	1,143	878	383	693	336	150	108
East Newark	-	-	-	8	10	14	4	2	8	14	18	16
Guttenberg	18	21	2	109	10	40	49	-	63	73	106	47
Harrison	468	309	739	1,339	45	1,289	1,089	876	222	88	97	65
Hoboken	475	743	110	679	221	175	95	112	55	54	59	63
Jersey City	2,180	2,658	1,494	1,604	2,493	4,675	3,552	3,232	3,741	2,339	2,601	2,098
Kearny	151	-	84	-	4	-	2	-	-	77	50	40
North Bergen	-	-	10	31	226	134	124	266	60	290	127	69
Secaucus	632	657	766	14	65	22	643	5	7	10	10	3
Union City	43	94	81	40	95	59	74	110	138	74	69	70
Weehawken	403	5	558	238	380	2	31	37	599	1,031	838	701
West New York	58	385	257	453	311	154	409	639	470	926	1,185	72
Hudson County	4,621	5,060	4,164	5,073	4,617	7,707	6,950	5,662	6,056	5,312	5,310	3,352

Source: U.S. Bureau of the Census, Manufacturing and Construction Division. State of New Jersey Department of Labor and Workforce Development

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NEW JERSEY COUNTIES
TOTAL RESIDENTIAL UNITS AUTHORIZED BY BUILDING PERMITS
RESIDENTIAL BUILDING PERMITS AUTHORIZED
2014 – 2025

COUNTY	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Atlantic County	722	710	1,083	1,090	996	957	667	804	803	406	672	759
Bergen County	3,408	2,672	3,144	3,059	2,709	3,929	3,391	4,023	4,065	3,440	3,488	2,970
Burlington County	1,000	892	825	1,134	1,274	2,636	1,757	2,118	2,089	1,718	2,161	1,624
Camden County	1,506	1,121	553	1,400	785	1,435	896	908	1,222	1,007	1,018	820
Cape May County	638	614	642	814	643	863	675	917	844	805	877	854
Cumberland County	211	237	134	88	74	135	179	191	150	112	216	143
Essex County	2,617	3,214	2,386	2,317	2,057	3,224	2,704	3,462	3,472	3,786	3,364	3,657
Gloucester County	491	736	724	736	640	706	778	755	844	971	1,047	921
Hudson County	4,621	5,060	4,164	5,073	4,617	7,707	6,950	5,257	6,056	5,312	5,310	3,352
Hunterdon County	348	425	355	287	621	684	322	688	577	378	389	544
Mercer County	368	896	711	605	501	538	832	544	646	978	2,256	1,164
Middlesex County	1,901	2,990	2,351	2,812	2,737	3,007	2,759	3,269	2,480	2,331	1,971	1,476
Monmouth County	1,484	1,399	1,933	1,474	1,897	1,587	2,641	2,350	2.392	2,556	2,840	2,138
Morris County	1,611	2,262	1,695	1,814	1,815	1,527	1,632	2,151	2,363	1,497	2,357	1,324
Ocean County	2,937	2,621	2,635	3,437	2,283	2,258	3,651	3,758	3,551	3,744	4,434	2,831
Passaic County	518	507	397	580	624	1,017	1,421	1,145	1,258	850	860	585
Salem County	51	43	50	30	63	68	35	88	114	104	95	77
Somerset County	1,310	1,551	995	831	1,309	1,708	1,913	1,261	950	618	678	763
Sussex County	222	216	169	128	156	172	226	170	267	124	184	96
Union County	1,966	2,185	1,594	1,091	2,312	2,316	2,664	3,281	3,082	1,963	1,749	1,228
Warren County	244	289	257	126	108	167	304	189	321	443	630	335
New Jersey	28,174	30,640	26,797	28,926	28.221	36,641	36,397	37.329	37,546	33,143	36,596	27,661

Source: U.S. Census Bureau, Manufacturing & Construction Division, New Jersey Department of Labor and Workforce Development

Unemployment

Listed below is a year-by-year compilation of annual average labor force and unemployment figures for Hudson County, New Jersey.

COMPARATIVE UNEMPLOYMENT DATA

Year	Labor Force	County Unemployment as % of Civilian Labor Force	State Unemployment as % of Civilian Labor Force	National Unemployment as % of Civilian Labor Force
2008	295,201	6.3	5.4	5.8
2009	301,525	10.3	8.9	9.3
2010	356,088	9.7	9.7	9.6
2011	360,540	9.0	9.4	8.9
2012	364,434	9.0	9.4	8.1
2013	363,646	8.0	8.4	7.4
2014	364,563	6.3	6.7	6.2
2015	367,809	5.3	5.7	5.3
2016	381,070	4.5	4.9	4.9
2017	384,994	4.1	4.5	4.4
2018	387,587	3.6	4.0	3.9
2019	399,709	3.1	3.5	3.7
2020	393,546	9.7	9.5	8.1
2021	387,193	6.9	6.7	5.3
2022	401,167	3.6	3.9	3.6
2023	415,081	4.0	4.3	3.6
2024	419,415	4.2	4.5	4.0
2025	425,475	4.7	5.2	4.3

Source: Department of Labor and Workforce Development, Employment and Wages, Unemployment Rates and Labor Force Estimates

Economy

The following chart shows the distribution of the Bergen-Hudson-Passaic Metropolitan Statistical Area labor force by industry group for the years 2014 through 2025.

BERGEN-HUDSON-PASSAIC MSA
Nonagricultural Wage and Salary Employment Trends
(Data in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Goods Producing	**87.0**	**88.3**	**89.2**	**90.1**	**90.9**	**91.7**	**84.9**	**86.0**	**88.9**	**89.7**	**88.9**	**88.4**
Manufacturing	57.8	57.9	58.7	59.3	60.2	60.4	55.5	56.3	58.4	59.6	59.3	58.6
Mining, Logging, and Construction	29.2	30.4	30.5	30.7	30.8	31.4	29.4	29.7	30.4	30.1	29.6	29.8
Service Producing	**804.3**	**813.7**	**823.9**	**834.7**	**837.5**	**843.9**	**764.7**	**800.2**	**848.3**	**867.6**	**866.5**	**860.1**
Trade, Transportation, and Utilities	205.5	207.3	207.6	209.5	210.8	212.4	195.6	201.5	211.6	212.0	209.4	206.8
Information	18.7	19.1	19.0	19.0	18.3	18.4	18.1	20.0	22.1	23.1	20.4	20.5
Financial Activities	69.4	70.3	73.1	76.7	77.5	76.7	73.5	77.3	82.5	83.6	81.8	79.4
Professional and Business Services	140.9	142.4	143.2	142.7	141.4	141.6	129.2	135.9	143.2	144.8	137.5	134.3
Education and Health Services	146.9	150.2	154.3	158.6	159.6	162.3	149.4	156.2	163.0	170.6	177.7	179.5
Leisure and Hospitality	67.8	69.6	71.4	72.9	75.6	77.4	56.2	65.6	76.6	81.3	84.7	85.9
Other Services	35.8	36.3	36.9	36.9	37.2	37.9	30.6	32.2	34.9	36.7	37.5	36.0
Government	119.4	118.5	118.5	118.2	117.2	117.4	112.1	111.5	114.2	115.5	117.6	117.6
Total	**891.3**	**902.0**	**913.1**	**924.8**	**928.4**	**935.7**	**849.6**	**886.2**	**937.1**	**957.2**	**955.3**	**948.4**

Source: New Jersey Department of Labor and Workforce Development, Employment and Wages, Division of Economic and Demographic Research, Current Employment Statistics

NEW JERSEY
ESTIMATED OCCUPATIONAL EMPLOYMENT PROJECTIONS

Occupation Title	2020 Actual Employment	2032 Projected Employment	Numeric Change	Total Percent Change
Total, All Occupations	**4,491,700**	**4,707,800**	**216,100**	**4.8**
Management Occupations	328,400	351,250	22,850	7.0
Business and Financial Operations Occupations	299,450	311,350	11,900	4.0
Computer and Mathematical Occupations	159,500	176,200	16,700	10.5
Architecture and Engineering Occupations	56,000	58,950	2,950	5.2
Life, Physical, and Social Science Occupations	45,900	49,600	3,700	8.0
Community and Social Service Occupations	78,500	85,750	7,200	9.1
Legal Occupations	39,800	41,250	1,450	3.6
Education, Training, and Library Occupations	305,250	320,100	14,850	4.9
Arts, Design, Entertainment, Sports, and Media Occupations	72,350	74,300	1,950	2.7
Healthcare Practitioners and Technical Occupations	254,100	279,100	25,000	9.8
Healthcare Support Occupations	191,700	222,200	30,500	15.9
Protective Service Occupations	114,350	113,950	-400	-0.4
Food Preparation and Serving Related Occupations	288,050	311,350	23,300	8.1
Building and Grounds Cleaning and Maintenance Occupations	149,150	153,350	4,200	2.8
Personal Care and Service Occupations	141,250	157,800	16,550	11.7
Sales and Related Occupations	403,600	398,300	-5,300	-1.3
Office and Administrative Support Occupations	591,300	558,950	-32,350	-5.5
Farming, Fishing, and Forestry Occupations	4,200	4,200	0	1.0
Construction and Extraction Occupations	144,500	151,750	7,250	5.0
Installation, Maintenance, and Repair Occupations	149,600	154,950	5,350	3.6
Production Occupations	178,750	180,950	2,200	1.2
Transportation and Material Moving Occupations	496,050	552,200	56,150	11.3

Source: New Jersey Department of Labor and Workforce Development, Employment and Wages, Industry and Occupational Employment Projection

25 Largest Taxpayers
2025

	Taxpayer	Total Assessed Value
1	GSJC LAND LLC	$ 391,226,200.00
2	101 HUDSON RE LLC % THE BICH GROUP	351,950,000.00
3	SL H.O. 2&3, LLC & H.O., 2A, LLC	291,437,500.00
4	ONE JS TOWER NO.U.R. CO. LLC%KABR	228,924,500.00
5	HANCOCK S-REIT JCITY CORP.	221,137,300.00
6	NOC VII C/O UBS R.E. LEASE ADMIN	218,564,500.00
7	LIBERTY TOWERS TIC I & II, LLC.	215,000,000.00
8	WAVE PROPERTY LLC	214,856,700.00
9	TOWN COVE JC U/R INC. C/O AVALONBAY	214,660,000.00
10	MEPT NEWPORT TWR.LLC.%ALTUS GROUP	208,608,500.00
11	5851 WEST SIDE ASSOC LLC % B WANG	201,578,895.00
12	SL HARBORSIDE OWNER 5, LLC	198,700,000.00
13	545 WASHINGTON ASSOC.FEE LP C/O HBI	194,319,700.00
14	ELLIPSE BUILDING LLC	190,000,000.00
15	DORIC APARTMENT CO % MANAGEMENT CO	188,000,000.00
16	JPMORGAN CHASE BANK, NATIONAL ASSOC	181,869,500.00
17	NEWPORT CENTRE, LLC % PROP. TAX	181,866,000.00
18	LHN II,LLC % ATTN:MANAGEMENT OFFICE	178,573,500.00
19	FIRST ST. LLC.&ONE URBAN LLC.&LKD	178,000,000.00
20	NEWPORT CENTRE	177,185,200.00
21	UE TONNELLE COMMONS % URBAN EDGE	174,405,700.00
22	90 COLUMBUS CO., LLC % PANEPINTO PR	172,500,000.00
23	GRAND LHN III U.R.,LLC	170,000,000.00
24	PROVOST SQUARE I URBAN RENEWAL, LLC	165,783,800.00
25	MC SOHO LOFTS TIC I & II, LLC	160,113,000.00
		$ 5,269,260,495.00

Source: Hudson County Board of Taxation.

HCEDC TOP EMPLOYERS IN HUDSON COUNTY 1,000 OR MORE

Company	City	# of Employees
Insurance Service Office Inc.	Jersey City	6,495
United States Postal Service	Secaucus	6,000
John Wiley & Son Inc.	Hoboken	5,700
Vitamin Shoppe, Inc.	Secaucus	5,686
Hoboken University Medical Center	Hoboken	5,037
UBS Financial Svc.	Weehawken	5,000
Goya Foods, Inc.	Secaucus	4,000
Goldman Sachs & Co. Inc.	Jersey City	3,782
Kuehn & Nagel, Inc.	Jersey City	3,300
City of Jersey City	Jersey City	3,171
County of Hudson	Jersey City	2,800
Delta Galil USA, Inc. (DE CORP)	Secaucus	2,530
United States Postal Service	Jersey City	2,200
Healthcare Staffing & Consultant LLC.	Jersey City	2,000
Pershing LLC. / Mellon Bank	Jersey City	2,000
Hanover Direct, Inc.	Weehawken	1,975
Jersey City Medical Center	Jersey City	1,942
Bayonne Hospital	Bayonne	1,867
New Jersey City University	Jersey City	1,663
Jersey City Board of Education	Jersey City	1,661
City of Bayonne	Bayonne	1,627
Imperial Bag & Paper Co. Inc.	Jersey City	1,627
JP Morgan Chase Bank	Jersey City	1,592
Marsh USA, Inc.	Hoboken	1,500
Citigroup Inc.	Jersey City	1,500
A & M (2015) LLC	North Bergen	1,500
National Retail System Inc.	North Bergen	1,500
The Children's Place Retail Stores	Secaucus	1,500
Palisades General Hospital	North Bergen	1,432
AvePoint Inc.	Jersey City	1,400
Bayonne Board of Education	Bayonne	1,322
Christ Hospital Health Service	Jersey City	1,206
Hartz Mountain Industries Inc.	Secaucus	1,200
I.P.C. Systems Inc.	Jersey City	1,150
Fidelity Investments	Jersey City	1,000
Ashley Stewart LTD	Secaucus	1,000
West New York Board of Education	West New York	1,000

Source: Hudson County Economic Development Corp., Major Employers List, November 2024.

County Tax Rates

The following schedule shows the Hudson County tax rate per $1,000.00 based on equalized valuations.

In 2004, the County established an Open Space, Recreation, Farmland and Historic Preservation Trust Fund. This fund was duly approved by the Hudson County voters in November 2003. The open space tax is limited to 10 cents per $1,000 County equalized valuation.

Year	County Purpose	County Open Space
2026	$3.4102702	0.100
2025	3.4053094	0.100
2024	3.5942302	0.100
2023	3.5200328	0.074
2022	3.7716827	0.500
2021	3.8468808	0.004
2020	3.9005212	0.004
2019	4.2206682	0.100
2018	4.4428968	0.100
2017	4.8300150	0.100
2016	5.2564566	0.100

Source: County of Hudson, Department of Finance and Administration.

HUDSON COUNTY
ASSESSED VALUATIONS OF LAND AND IMPROVEMENT BY CLASS

Year	Total	Class 1 Vacant Land	Class 2 Residential	Class 4a Commercial	Class 4b Industrial	Class 4c Apartments
2026	$96,566,548,843	$3,878,586,971	$49,212,762,402	$24,792,954,677	$6,687,281,019	$11,994,963,774
2025	94,704,960,515	4,254,112,402	48,294,641,509	23,537,066,511	6,859,049,519	11,760,090,604
2024	92,806,811,805	4,760,298,302	47,459,941,899	22,112,855,911	6,673,716,619	11,799,999,074
2023	86,313,825,374	4,315,298,049	44,450,935,210	20,433,485,522	6,664,699,319	10,449,407,274
2022	87,271,712,119	4,315,298,049	44,450,935,210	20,433,485,522	7,622,586,064	10,449,407,274
2021	74,503,637,707	3,590,140,434	39,659,004,056	16,828,771,463	5,321,893,700	9,103,828,054
2020	72,788,034,022	3,752,253,334	38,877,643,535	15,869,979,403	5,370,245,600	8,917,912,150
2019	63,535,423,349	3,653,293,162	33,935,535,312	14,668,898,975	4,496,673,600	6,781,022,300
2018	62,212,588,184	3,855,693,727	33,037,114,342	14,263,122,665	4,574,112,600	6,482,544,850
2017	31,158,397,783	849,409,973	18,545,205,021	6,221,516,519	2,504,043,940	3,038,222,330
2016	30,622,018,695	877,241,128	18,421,359,838	5,994,663,669	2,445,830,530	2,882,923,530
2015	30,386,776,195	838,973,628	18,255,451,065	5,945,021,942	2,478,909,730	2,868,419,830

Source: Hudson County Board of Taxation.

HUDSON COUNTY
NET VALUATIONS AS EQUALIZED

Year	Land	Improvements	Land and Improvements	Personal Property	Net Valuation Taxable	Valuation as Equalized	Net Valuation Taxable Divided by Valuations Equalized
2026	$37,989,620,028	$58,807,030,818	$96,796,650,846	$98,956,066	$96,566,548,843	$147,398,054,493	65.51%
2025	37,695,622,676	57,259,663,592	94,955,286,268	112,247,787	94,817,208,302	135,677,445,893	69.88
2024	37,632,961,926	55,649,938,532	93,282,900,458	119,525,474	92,926,337,279	122,245,837,135	76.02
2023	34,770,107,773	52,045,715,843	86,815,823,616	104,740,043	86,418,565,417	119,174,058,426	72.50
2022	33,380,352,623	50,460,044,193	83,840,396,816	104,033,669	83,241,150,143	107,406,878,201	77.50
2021	29,694,898,630	45,521,116,999	75,216,015,629	96,867,279	74,600,504,986	104,972,568,786	71.06
2020	29,571,958,334	43,216,075,688	72,788,034,022	93,943,203	72,881,977,225	100,425,077,769	72.57
2019	25,994,619,585	38,291,841,867	64,286,461,452	94,156,072	63,629,579,421	89,914,731,453	70.77
2018	26,145,973,310	36,399,942,381	62,545,915,691	92,433,903	62,305,022,087	82,447,156,922	75.56
2017	11,624,736,347	19,616,075,756	31,240,812,103	43,023,905	31,201,421,688	73,311,701,142	42.56
2016	11,584,280,860	19,123,062,915	30,707,343,775	45,384,383	30,667,403,078	65,392,301,602	46.90
2015	11,541,236,011	18,932,646,664	30,473,882,675	46,315,097	30,433,091,292	61,590,191,081	49.41

Source: Hudson County Board of Taxation.

HUDSON COUNTY
Tax Levy - County Purpose

	2026	2025	2024	2023	2022
Bayonne	$39,165,284	$37,334,587	$35,861,047	$32,482,459	$31,471,880
East Newark	1,053,157	1,051,817	1,021,873	926,088	829,617
Guttenberg	5,159,143	4,529,464	4,825,277	4,289,099	4,350,131
Harrison	7,788,674	7,446,491	6,995,668	6,257,556	6,111,098
Hoboken	72,580,223	70,000,869	68,080,037	64,717,793	63,893,966
Jersey City	223,752,785	195,556,972	180,851,328	183,624,499	175,146,367
Kearny	25,077,395	21,882,735	21,931,421	20,404,450	19,198,375
North Bergen	38,338,289	35,851,022	36,130,551	34,163,101	33,055,226
Secaucus	26,308,153	26,661,059	20,452,622	20,590,082	19,780,072
Union City	23,921,757	22,794,655	22,186,210	18,663,611	18,132,239
Weehawken	14,951,668	14,358,223	14,876,482	14,645,691	14,035,541
West New York	14,951,668	15,712,983	14,968,359	13,416,446	13,176,366
Total	$495,180,876	$453,180,877	$429,180,876	$414,180,876	$399,180,876

Source: County of Hudson, Department of Finance and Administration; Hudson County Board of Taxation.

HUDSON COUNTY
Tax Levy – County Open Space

	2026	2025	2024	2023	2022
Bayonne	$1,152,446	$1,097,995	$1,000,121	$693,127	$418,489
East Newark	30,882	30,888	28,431	19,686	11,080
Guttenberg	153,277	133,369	134,590	91,382	57,866
Harrison	232,407	218,754	194,861	133,028	81,165
Hoboken	2,135,622	2,058,428	1,926,090	1,379,772	852,115
Jersey City	6,720,753	5,941,504	5,281,038	3,994,597	2,368,479
Kearny	740,360	642,130	610,213	434,014	253,849
North Bergen	1,127325	1,068,014	1,009,855	730,511	439,914
Secaucus	775,248	789,210	575,672	443,233	265,378
Union City	707,237	677,289	618,443	398,118	241,217
Weehawken	460,054	443,194	424,504	312,160	204,138
West New York	504,195	466,972	420,766	287,777	176,654
Total	$14,739,805	$13,567,745	$12,224,584	$8,917,406	$5,370,344

Source: County of Hudson, Board of Taxation

TAX-EXEMPT PROPERTIES IN HUDSON COUNTY
2026 ASSESSED VALUATION

Public Schools	$ 2,813,938,100
Schools other than Public	1,063,572,600
Public Property	9,832,926,770
Church and Charities	1,689,850,000
Cemeteries	251,407,900
Miscellaneous	14,901,796,977
Total	$30,553,492,347

Source: Hudson County Board of Taxation.

Tax Collections

County taxes are payable quarterly by the various municipalities. Payment is required from the municipality in total and is not based on collections of taxes by the municipality. Accordingly, the County has achieved a constant 100% collections percentage.

The following table is the current real property tax collection record for the years 2016 through 2025.

Fiscal Year Beginning January 1	County Purpose Tax	County Open Space Tax	Uncollected at End of Fiscal Year December 31
2025	$453,180,876	$13,567,745	-0-
2024	429,180,876	12,224,583	-0-
2023	414,180,976	8,917,406	-0-
2022	399,180,876	5,370,344	-0-
2021	399,180,876	420,784	-0-
2020	386,680,876	419,184	-0-
2019	374,180,876	8,991,473	-0-
2018	361,680,876	8,244,716	-0-
2017	350,543,753	7,331,170	-0-
2016	337,343,753	6,539,530	-0-

Source: County of Hudson, Department of Finance and Administration.

COMPARATIVE SCHEDULE OF
FUND BALANCES - CURRENT FUND

Calendar Year	Balance 31-Dec	Utilized in Budget of Succeeding Year
2025	$57,295,022	45,000,000
2024	59,919,068	52,000,000
2023	57,990,709	42,000,000
2022	56,593,108	42,000,000
2021	45,792,554	35,000,000
2020	49,258,668	34,100,000
2019	58,460,654	48,616,355
2018	55,672,205	47,000,000
2017	67,058,803	67,058,803
2016	38,057,426	34,614,535
2015	26,642,751	23,500,000

Source: County of Hudson, Department of Finance and Administration.

SUMMARY OF COUNTY DEBT
DECEMBER 31, 2025

Bonds and Notes Issued, Loans and Guarantees	$ 678,485,732
Authorized But Not Issued-Bonds and Notes	995,541
Total Bonds and Notes Issued and Authorized but Not Issued	679,481,273
Issued:	
Green Acres Loan Payable	995,541
Serial Bonds and Notes Issued	572,573,099
Self-Liquidating Bonds	-
Guarantees – Hudson County Improvement Authority	-
Total Issued Bonds and Notes, Loans and Guarantees	573,568,640
Authorized But Not Issued:	
Serial Bonds and Notes Authorized but Not Issued	105,912,633
Total Serial Bonds and Notes, Loans and Guarantees Issued and Not Issued	679,481,273
Statutory Deductions	
Funds on hand for payments of bonds and notes	18,477,883
Self-Liquidating Bonds	-
Serial Bonds and Notes Authorized But Not Issued	52,875,663
Guarantees – Hudson County Improvement Authority	
Total Statutory Deductions	71,353,546
Net Debt	$ 608,127,727
Average Equalized Valuation of Real Property (Years 2023-2025)	$132,280,522,071
Gross Debt as a Percentage of Equalized Valuations	0.514%
Net Debt as a Percentage of Equalized Valuations	0.460%
Gross Debt per Capita – 2020 Census: 724,854	$937
Net Debt per Capita – 2020 Census: 724,854	$839
Borrowing Power:	
2% of Average Equalized Valuation Basis	$ 2,645,610,441
Net Debt	608,127,727
Remaining Borrowing Power:	$ 2,037,482,715

Source: County of Hudson, Department of Finance and Administration.

STATUTORY DEBT
DECEMBER 31, 2025

	Gross Debt	Deductions	Net Debt
Total Bonds and Notes for Self-Liquidating Purposes	$ --	$ --	$ --
Total Serial Bonds and Notes Issued and Authorized But Not Issued	$679,481,273	$71,353,546	$608,127,727
Total	$679,481,273	$71,353,546	$608,127,727
Average Equalized Valuation of Real Property (Years 2023-2025)			$132,280,522,071
Statutory Net Debt as a Percent of Valuation			0.460%

Source: County of Hudson, Department of Finance and Administration.

COUNTY OF HUDSON
DEBT STATEMENT AS OF DECEMBER 31, 2025
AUTHORIZED BUT NOT ISSUED

1	354-07-1997	7/10/1997	School of Technology Improvements	50,000.00
2	502-10-1997	10/09/1997	Green Acres-Washington/Lincoln Parks	157,716.00
3	502-10-1997	10/09/1997	Bayonne Park - Green Acres	3,500.00
4	502-10-1997	10/09/1997	Laurel Hill Extension - Green Acres	69,997.50
5	331-06-1998	06/25/1998	School of Technology - Improvements	20,000.00
6	512-11-2000	11/21/2000	Various Capital Improvements	211,146.00
7	155-04-2005	04/14/2005	Various Capital Improvements	250,000.00
8	447-10-2005	10/27/2005	Open Space Trust Fund	200.00
9	267-06-2006	06/22/2006	Various Capital Improvements	438.40
10	268-06-2006	06/22/2006	Green Acres Project	1,050,000.00
11	534-11-2007	11/20/2007	Open Space Trust Fund	190.00
12	389-09-2008	09/10/2008	HC Community - 2008 Improvements	362,000.00
13	331-07-2010	07/08/2010	14th Street Viaduct	7,068,104.77
14	189-04-2011	04/28/2011	Various Capital Improvements	1,111,500.00
15	416-09-2011	09/22/2011	Acquire 830 Bergen Ave Property	396,763.00
16	237-04-2012	04/26/2012	Various 2012 Capital Improvements	991,070.00
17	117-2-2018	02/28/2018	Justice Complex Master Plan	346,000.00
18	527-9-2018	09/13/2018	Energy Savings Refunding Bond	3,480,000.00
19	192-3-2019	03/28/2019	2019 Road and Bridge Improvements	4,887,322.12
20	328-5-2020	05/27/2020	Various Road and Bridge Improvements	3,909,523.00
21	244-4-2021	04/09/2021	2021 Road and Bridge Improvements	4,610,000.00
22	249-4-2022	04/28/2022	2022 ROAD AND BRIDGE IMPROVEMENTS	5,400,110.00
23	54-1-2025	01/23/2025	2025 CAPITAL IMPROV AND ACQUISITION	34,215,161.00
24	118-2-2025	02/27/2025	2025 ROAD AND BRIDGE IMPROVEMENTS	10,556,649.00
25	317-6-2025	06/12/2025	2025 PARK IMPROVEMENTS	18,631,180.00
26	563-9-2025	09/25/2025	HCST VARIOUS IMPROVEMENTS - FY 2025	1,500,000.00
27	564-9-2025	09/25/2025	HCCC CHAPTER 12 VARIOUS IMPROVEMENTS - FY 2026	6,634,062.00
				$ 105,912,632.79

Source: County of Hudson, Department of Finance and Administration.

SCHEDULE OF ANNUAL DEBT SERVICE PAYMENTS FOR PRINCIPAL AND INTEREST THROUGH MATURITY FOR GENERAL BONDED DEBT ISSUED AND OUTSTANDING*

Calendar Year	Principal	Interest	Total Debt Service
2026	29,803,750.00	10,944,095.17	40,747,845.17
2027	31,091,875.00	9,878,065.56	40,969,940.56
2028	29,485,625.00	8,788,140.70	38,273,765.70
2029	27,767,500.00	7,716,821.76	35,484,321.76
2030	28,830,625.00	6,716,019.86	35,546,644.86
2031	25,487,500.00	5,716,118.20	31,203,618.20
2032	19,800,000.00	4,903,183.77	24,703,183.77
2033	18,165,000.00	4,270,830.65	22,435,830.65
2034	18,135,000.00	3,693,418.15	21,828,418.15
2035	18,350,000.00	3,230,527.52	21,580,527.52
2036	19,146,000.00	2,772,515.02	21,918,515.02
2037	18,995,000.00	2,295,368.76	21,290,368.76
2038	18,465,000.00	1,826,081.26	20,291,081.26
2039	18,650,000.00	1,360,700.00	20,010,700.00
2040	18,170,000.00	869,550.00	19,039,550.00
2041	14,620,000.00	435,200.00	15,055,200.00

* Excludes debt service on the County's Certificates of Participation, Lease Revenue Bond Issues, Bond Anticipation Notes, Green Acres Trust Loans, and Merrill Lynch Redevelopment Project.

Source: County of Hudson, Department of Finance and Administration.

SCHEDULE OF ANNUAL LOAN PAYMENTS FOR PRINCIPAL AND INTEREST FOR THE NEXT FOURTEEN YEARS FOR GREEN ACRES TRUST LOAN PROGRAMS

Calendar Year	Principal	Interest	Total Loan Payment
2026	198,923.96	18,921.15	217,845.11
2027	130,849.15	15,281.35	146,130.50
2028	133,479.21	12,651.29	146,130.50
2029	120,538.63	10,046.08	130,584.71
2030	122,961.45	7,623.25	130,584.70
2031	125,432.97	5,151.92	130,584.89
2032	127,954.18	2,630.53	130,584.71
2033	35,401.32	354.01	35,755.33

Source: County of Hudson, Department of Finance and Administration.

Bond Anticipation Notes

As of February 25th, 2026, the County has $210,954,561 Bond Anticipation Notes outstanding that are due on February 24th, 2027.

Casino-in-the-Park Project

In December 2017, the Casino-in-the-Park, originally opened in 1950, closed its doors after the prior tenant's lease expired. In January 2020, the Authority issued $7,500,000 in Federally Taxable County-Guaranteed Lease Revenue Bonds, Series 2020 (Casino in the Park Project) in order to partially demolish, and the subsequent construction of and improvements to, a building known as Casino-in-the-Park, located within Lincoln Park in the City of Jersey City, New Jersey, in order to create facilities for the recreation and entertainment of the public, which facilities will include a banquet hall. Due to additional project costs anticipated as a result of the COVID-19 health emergency, supplemental bonds were issued in the amount of $2,500,000.

Under the Lease Agreement, the County will lease the existing Facilities to the Authority for a term of thirty (30) years, commencing upon the execution of the Sublease Agreement, and in exchange for the Authority's undertaking the management of the demolition and the construction of the Facilities, the procurement of the Subtenant, and the Subtenant's sublease of the Facilities as hereinafter described, the County has agreed to pay to the Authority certain "Basic Rent" and "Additional Rent" for the Facilities.

The following is a schedule of the lease payments on the Bonds through maturity:

Casino-in-the-Park Project, series 2020

Year	Principal	Interest	Lease Payment
2026	165,000.00	244,279.20	409,279.20
2027	170,000.00	239,254.20	409,254.20
2028	175,000.00	234,079.20	409,079.20
2029	180,000.00	228,754.20	408,754.20
2030	190,000.00	223,204.20	413,204.20
2031	195,000.00	216,876.38	411,876.38
2032	200,000.00	209,831.56	409,831.56
2033	210,000.00	202,519.21	412,519.21
2034	215,000.00	194,939.33	409,939.33
2035	225,000.00	187,091.93	412,091.93
2036	230,000.00	178,977.01	408,977.01
2037	240,000.00	170,594.56	410,594.56
2038	250,000.00	161,855.41	411,855.41
2039	260,000.00	152,759.56	412,759.56
2040	270,000.00	143,104.51	413,104.51
2041	280,000.00	132,882.76	412,882.76
2042	290,000.00	122,289.31	412,289.31
2043	300,000.00	111,324.16	411,324.16
2044	310,000.00	99,987.31	409,987.31
2045	325,000.00	88,185.83	413,185.83
2046	335,000.00	75,919.73	410,919.73
2047	345,000.00	63,281.93	408,281.93
2048	360,000.00	50,179.50	410,179.50
2049	375,000.00	36,519.53	411,519.53
2050	390,000.00	22,302.01	412,302.01
2051	405,000.00	7,526.93	412,526.93
Total	$7,050,000.00	$4,048,473.66	$11,098,473.66

Casino-in-the-Park Project, series 2021

Year	Principal	Interest	Lease Payment
2026	60,000.00	71,123.50	131,123.50
2027	60,000.00	70,241.50	130,241.50
2028	60,000.00	68,855.50	128,855.50
2029	65,000.00	67,469.50	132,469.50
2030	65,000.00	65,968.00	130,968.00
2031	65,000.00	64,466.50	129,466.50
2032	65,000.00	62,965.00	127,965.00
2033	70,000.00	60,950.00	130,950.00
2034	70,000.00	58,780.00	128,780.00
2035	75,000.00	56,610.00	131,610.00
2036	75,000.00	54,285.00	129,285.00
2037	80,000.00	51,960.00	131,960.00
2038	80,000.00	49,480.00	129,480.00
2039	85,000.00	47,000.00	132,000.00
2040	85,000.00	44,365.00	129,365.00
2041	90,000.00	41,730.00	131,730.00
2042	90,000.00	38,940.00	128,940.00
2043	95,000.00	35,970.00	130,970.00
2044	95,000.00	32,835.00	127,835.00
2045	100,000.00	29,700.00	129,700.00
2046	105,000.00	26,400.00	131,400.00
2047	105,000.00	22,935.00	127,935.00
2048	110,000.00	19,470.00	129,470.00
2049	115,000.00	15,840.00	130,840.00
2050	120,000.00	12,045.00	132,045.00
2051	120,000.00	8,085.00	128,085.00
2052	125,000.00	4,125.00	129,125.00
Total	$2,390,000.00	$1,254,600.00	$3,644,600.00

Hudson County Courthouse Project

In October 2020, the Authority issued $342,240,000 in County Secured Lease Revenue Bonds, Series 2020 (Hudson County Courthouse Project) for the purpose of financing the acquisition of the Project Site and the construction, furnishing and equipping thereon of a new county courthouse complex and related facilities (collectively, the "Facilities") in the City of Jersey City, New Jersey. The Facilities, known as the Frank J. Guarini Justice Complex, includes a new courthouse building of approximately 405,000 square feet (the "New Courthouse") together with a parking structure for County and judicial employees and related facilities, and is constructed on a site owned by the County (the "Project Site"), located directly across the street from the present courthouse located at 595 Newark Avenue (the "Existing Courthouse") and diagonally across from the historic Brennan Courthouse. The Project was undertaken as a redevelopment project pursuant to the Local Redevelopment and Housing Law (codified in N.J.S.A. 40A:12A-1 et seq.).

The New Courthouse holds the County's criminal courts, family courts and landlord tenant court, as well as offices for the County Surrogate, the County Prosecutor and court administration and holding facilities for prisoners. The County's civil courts will continue to be housed in the Brennan Courthouse. Following construction of the New Courthouse, it is expected that the Existing Courthouse will be demolished and converted into a public park.

Under the Lease Agreement, the County leased the Project Site to the Authority for nominal consideration, and the Authority caused the Facilities to be constructed thereon. In addition, under the Lease Agreement the Authority leased the Facilities, together with the Project Site, back to the County for the "Facilities Lease Term", on the date of issuance of the Bonds and will terminate when all Bonds (and any Additional Bonds issued to refund them) are no longer Outstanding under the Bond Resolution. During the Facilities Lease Term, the County will pay to the Authority certain "Basic Rent" and "Additional Rent."

As agent for the County under the terms of the Lease Agreement, and as the redevelopment entity designated by the City of Jersey City to undertake the Project, the Authority was responsible for the construction of the Facilities. Construction is complete. A portion of the proceeds of the Bonds were deposited into the Bond Service Fund at closing, in an amount estimated to be sufficient to provide for the payment of interest on the Bonds through October 1, 2021.

The following is the annual debt service schedule associated with the bonds:

Year	Principal	Interest	Debt Service
2026	7,500,000	12,392,150.00	19,892,150.00
2027	7,500,000	12,017,150.00	19,517,150.00
2028	7,500,000	11,642,150.00	19,142,150.00
2029	7,500,000	11,267,150.00	18,767,150.00
2030	7,500,000	10,892,150.00	18,392,150.00
2031	7,500,000	10,517,150.00	18,017,150.00
2032	10,640,000	10,217,150.00	20,857,150.00
2033	11,065,000	9,791,550.00	20,856,550.00
2034	11,510,000	9,348,950.00	20,858,950.00
2035	11,855,000	9,003,650.00	20,858,650.00
2036	12,210,000	8,648,000.00	20,858,000.00
2037	12,575,000	8,281,700.00	20,856,700.00
2038	12,955,000	7,904,450.00	20,859,450.00
2039	13,340,000	7,515,800.00	20,855,800.00
2040	13,740,000	7,115,600.00	20,855,600.00
2041	14,290,000	6,566,000.00	20,856,000.00
2042	14,860,000	5,994,400.00	20,854,400.00
2043	15,000,000	5,400,000.00	20,400,000.00
2044	15,000,000	4,800,000.00	19,800,000.00
2045	15,000,000	4,200,000.00	19,200,000.00
2046	15,000,000	3,600,000.00	18,600,000.00
2047	15,000,000	3,000,000.00	18,000,000.00
2048	15,000,000	2,400,000.00	17,400,000.00
2049	15,000,000	1,800,000.00	16,800,000.00
2050	15,000,000	1,200,000.00	16,200,000.00
2051	15,000,000	600,000.00	15,600,000.00
TOTAL	$334,040,000	$211,799,450	$545,839,450

FACILITY LEASE REVENUE BONDS

County Services Building Project (County Plaza)

On April 1, 2005 the Authority issued $29,505,000 aggregate principal amount of its County Secured Lease Revenue Bonds, Series 2005 (County Services Building Project), to provide funds to (a) acquire real property that consists of a seven-story building with approximately 340,000 square feet of space located on 9.67 acres of land at 257 Cornelison Avenue in Jersey City, (b) acquire, renovate and improve real property that consists of 2.85 acres of land at 180 Baldwin Avenue in Jersey City, (c) pay twelve months capitalized interest on such bonds, (d) establish a bond reserve fund pursuant to resolution adopted by the Authority and (e) pay the costs and expenses associated with the issuance of such bonds. Further, the County shall contribute $7,700,000 toward the acquisition and renovation of the facilities described in (a) and (b) above. Pursuant to the provisions of a Lease Agreement dated as of April 1, 2005 by and between the Authority and the County, as amended and supplemented, the County shall make lease payments to the Authority. These payments under the Lease Agreement are sufficient to pay the principal of and interest on the bonds when scheduled. The County's payment obligation under the Lease Agreement is a general obligation. Capitalized interest paid upon issuance covered September 1, 2005 through March 1, 2007 interest requirements.

On July 11, 2007 the Authority issued an additional $27,490,000 principal amount of its County Secured Lease Revenue Bonds, Series 2007 (County Services Building Completion Project) to provide additional funds to complete the renovation of the real property. The Authority and the County entered into an amended Lease Agreement whereby the County will make additional lease payments to the Authority. Capitalized interest covered September 1, 2007 through a portion of September 2008.

In January of 2013, $25,460,000 of Refunding Bonds (Series 2013 Bonds) were issued to advance refund a portion of the outstanding Series 2005 Lease Revenue Bonds maturing on various dates through 2035. On September 14 of 2016, $4,925,000 of Refunding Bonds were issued to advance refund a portion of the outstanding County Secured Lease Revenue Bonds, Series 2007.

The following are the combined lease payments to be paid by the County from 2026 through final maturity.

Year		Lease **Payment**		**Principal**		**Interest**
2026		3,668,325.00		2,490,000.00		1,178,325.00
2027		3,653,350.00		2,570,000.00		1,083,350.00
2028		3,662,125.00		2,670,000.00		992,125.00
2029		3,661,712.50		2,760,000.00		901,712.50
2030		3,651,750.00		2,840,000.00		811,750.00
2031		3,651,312.50		2,935,000.00		716,312.50
2032		3,650,831.25		3,035,000.00		615,831.25
2033		5,228,543.75		4,765,000.00		463,543.75
2034		5,228,481.25		4,955,000.00		273,481.25
2035		5,232,306.25		5,140,000.00		92,306.25

Source: County of Hudson, Department of Finance and Administration.

Lincoln Park Golf Course Project

In June 2011, the Authority issued County-Guaranteed Lease Revenue Bonds, Series 2011 (Lincoln Park Golf Project). The Authority has leased the Project Site from the County in exchange for a lump rent payment equivalent to net bond proceeds pursuant to a lease agreement. Also pursuant to the Lease Agreement, which will be coterminous with the term of the Bonds, the County will lease the Project Site back from the Authority for a stream of rent payments that will be sufficient to pay debt service on the Bonds (the "Lease Payments"). The Lease Payments and debt service are structured to pace the anticipated revenues from the facility, which are anticipated to increase over the life of the Bonds. This stream of Lease Payments will secure the Bonds, which will be further secured by a guaranty of the County.

The following is a schedule of the remaining lease payments on the Bonds through maturity.

Year	Lease Payment	Principal	Interest
2026	696,550.76	455,000.00	241,550.76
2027	700,882.41	465,000.00	235,882.41
2028	738,810.66	510,000.00	228,810.66
2029	740,112.96	520,000.00	220,112.96
2030	740,113.21	530,000.00	210,113.21
2031	744,203.58	545,000.00	199,203.58
2032	737,546.05	550,000.00	187,546.05
2033	784,602.85	610,000.00	174,602.85
2034	785,217.53	625,000.00	160,217.53
2035	779,912.33	635,000.00	144,912.33
2036	781,921.75	655,000.00	126,921.75
2037	781,373.25	675,000.00	106,373.25
2038	824,511.50	740,000.00	84,511.50
2039	821,336.50	760,000.00	61,336.50
2040	827,389.00	790,000.00	37,389.00
2041	827,591.75	815,000.00	12,591.75

Source: County of Hudson, Department of Finance and Administration.

THE COUNTY VOCATIONAL-TECHNICAL SCHOOLS PROJECT

The Bonds were issued to provide funds to (a) finance the design, construction and equipping of the School, including Site work and athletic facilities, (b) pay capitalized interest on the Bonds to and including May 1, 2018, (c) fund a Bond Reserve Requirement for the Bonds (as defined herein) and (d) pay certain costs of issuance of the Bonds.

The School is constructed on an approximate 20-acre site owned by the County and located in the Laurel Hill section of the Meadowlands in the Town of Secaucus within the County (the "Site") and has replaced HCST's older and outdated school facility located in the Township of North Bergen within the County.

The School is a three-story facility, situated over an enclosed parking garage, with approximately 340,000 square feet of educational and related administrative space. The New Jersey Department of Education ("NJDOE") has approved the School for a functional capacity of 1,500 students, grades 9-12.

There are three classroom wings within the School, consisting of 34 academic classrooms, 15 science classrooms, 9 media classrooms, 4 vocational workshops, 8 digital media classrooms, a dance studio, 2 art studios, 3 music studios and rehearsal rooms, 2 culinary arts classrooms, a TV production studio, a fabrication lab, a black box theater, an auditorium with a stage, a cafeteria, a media center, a weight room and related fitness rooms, a yoga room, a judo room, a cross-fit room, and a gymnasium.

Legal Authorization for School Construction and Financing Structure

Pursuant to Section 7G-5a of the Education Law (N.J.S.A. Title 18A) (the "County Vocational School District School Construction Law"), boards of education of county vocational school districts may request applicable county improvement authorities to (i) construct county vocational school district school facilities projects and (ii) issue their bonds to finance such projects, and any annual State Debt Service Aid awarded by NJDOE to any such projects shall be paid on such county improvement authority bonds. Additionally, county improvement authorities are permitted to undertake such projects via a "design-build contract" process, and are generally exempt from otherwise applicable State public bidding laws and regulations, for so long as such authorities comply with all other applicable statutory and regulatory requirements relating to public school design and construction, and procure all required NJDOE approvals in connection therewith.

The HCST Board of Education has requested the Authority to undertake the School project on a "design-build contract" basis on its behalf in accordance with the requirements of the County Vocational School District School Construction Law, and the Authority has agreed to do so.

1. The County, as the owner of the Site, has entered into a 75-year, Ground Lease Agreement, dated as of May 1, 2016, with HCST, under which the County will lease the Site to HCST (the "75-Year Ground Lease Agreement").

2. HCST, as the lessee of the Site, has entered into a 35-year, Ground Sublease Agreement, dated as of May 1, 2016, with the Authority, under which HCST will sublease the Site to the Authority, and the Authority will undertake the School design/build process (the "35-Year Ground Sublease Agreement").

3. The Authority, as the sub lessee of the Site, will enter into a 35-year, Ground Sublease and School Facilities Lease Agreement, dated as of May 1, 2016, with the County, under which the Authority will sublease the Site and lease the School to the County (the "Lease Agreement"). The County's unconditional obligation to timely make all Basic Rent payments under the Lease Agreement is the principal security for the Bonds.

4. The County, as a second sub lessee of the Site, has entered into a 35-year, Ground and School Facilities Sublease Agreement, dated as of May 1, 2016, with HCST, under which the County will sublease the Site and School to HCST, and HCST will operate the School (the "35-Year Ground and School Facilities Sublease Agreement").

5. The terms of the 35-Year Ground Sublease Agreement, Lease Agreement and 35-Year Ground and School Facilities Sublease Agreement (collectively, the "35-Year Leases") are coterminous with the term of the Bonds. Upon expiration of such 35-Year Leases, the County shall be the fee owner

of the Site and the School and shall continue to lease same to HCST for the remainder of the term of the 75-Year Ground Lease Agreement.

State Debt Service Aid Awarded to County for School

NJDOE has issued a "Final Eligible Costs Letter" (the "FEC Letter") to HCST, setting forth the awarded State Aid to the County for the construction of the School. Such FEC Letter (i) approved $147,275,002 in "final aid eligible costs" for the School (the "DSA Eligible Costs"), and (ii) awarded 59% in annual State debt service aid ("DSA") for such DSA Eligible Costs.

The following is a schedule of the lease payments on the HCIA Vo-Tech County Secured Lease Revenue Bonds through maturity.

Year	Lease Payment	Principal	Interest
2026	9,981,350.00	2,800,000.00	7,181,350.00
2027	9,979,987.50	2,935,000.00	7,044,987.50
2028	9,976,750.00	3,075,000.00	6,901,750.00
2029	9,979,000.00	3,235,000.00	6,744,000.00
2030	9,980,575.00	3,390,000.00	6,590,575.00
2031	9,981,250.00	3,545,000.00	6,436,250.00
2032	9,981,475.00	3,720,000.00	6,261,475.00
2033	9,980,725.00	3,910,000.00	6,070,725.00
2034	9,980,225.00	4,110,000.00	5,870,225.00
2035	9,979,475.00	4,320,000.00	5,659,475.00
2036	9,977,975.00	4,540,000.00	5,437,975.00
2037	9,980,100.00	4,775,000.00	5,205,100.00
2038	9,980,225.00	5,020,000.00	4,960,225.00
2039	9,977,850.00	5,275,000.00	4,702,850.00
2040	9,977,350.00	5,545,000.00	4,432,350.00
2041	9,977,975.00	5,830,000.00	4,147,975.00
2042	9,978,975.00	6,130,000.00	3,848,975.00
2043	9,979,600.00	6,445,000.00	3,534,600.00
2044	9,979,100.00	6,775,000.00	3,204,100.00
2045	9,976,725.00	7,120,000.00	2,856,725.00
2046	9,981,475.00	7,490,000.00	2,491,475.00
2047	9,977,375.00	7,880,000.00	2,097,375.00
2048	9,977,518.75	8,305,000.00	1,672,518.75
2049	9,979,693.75	8,755,000.00	1,224,693.75
2050	9,977,718.75	9,225,000.00	752,718.75
2051	9,980,281.25	9,725,000.00	255,281.25

Source: County of Hudson, Department of Finance and Administration.

Hudson County Command Center Project
General Obligation Recovery Zone Economic Development Bonds

On December 22, 2010, the County, through the Hudson County Improvement Authority, issued $20,700,000 aggregate principal amount of General Obligation Recovery Zone Economic Development Bonds (Hudson County Command Center) to provide funds to (a) finance the acquisition of an existing warehouse building (the Command Center) located at Kearny, New Jersey, for use by the County as a storage space and a Command Center for the County's Office of Emergency Management, storage space and a Command Center for the County Correctional Center and an archive record storage facility for the Hudson County Prosecutor's Office and (b) pay costs of issuance associated with Project and the Bonds.

Recovery Zone Economic Development Bonds ("Economic Development Bonds") are a type of taxable Build America Bond. These bonds must be used in designated "recovery zones" to finance projects with a "qualified economic development purpose", including financing capital expenditures paid or incurred with respect to property located in a recovery zone, expenditures for public infrastructure and construction of public facilities and expenditures for job training and educational programs. The key feature of Economic Development Bonds is the ability of the issuer to receive an interest subsidy payment from the U.S. Treasury equal to 45% of the interest payments on the bonds. The interest subsidy payment effectively lowers the interest costs of the issuer.

The following is the debt service schedule associated with these bonds. The debt shown on this schedule is gross and does not include the interest subsidy payments expected from the U.S. Treasury.

Hudson County Improvement Authority
$20,700,000 Federally Taxable Recovery Zone Economic Development Bonds

Year	Principal	Coupon	Interest	Total Debt Service
2026	1,400,000	6.928%	484,960	1,884,960
2027	1,400,000	6.928%	387,968	1,787,968
2028	1,400,000	6.928%	290,976	1,690,976
2029	1,400,000	6.928%	193,984	1,593,984
2030	1,400,000	6.928%	96,992	1,496,992

Source: County of Hudson, Department of Finance and Administration.

Pension Benefits

All eligible County employees participate in the Public Employees' Retirement System ("PERS"), the Consolidated Police and Firemen's Pension Fund and the Police and Firemen's Retirement System ("PFRS") of New Jersey. The Division of Pensions within the New Jersey Department of Treasury is the administrator of the funds and charges municipalities and counties annually for their respective contributions. The plans are funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The County is ultimately liable for funding of the pension plans by increases in future billings from the State. Information as to the comparison of the actuarially computed values of vested benefits with the systems' assets is not available from the State Division of Pensions and, therefore, is not presented. The following is a comparative schedule of combined contributions for the four-year period:

	2026	2025	2024	2023
Contributory Plans				
Public Employees' Retirement System	$22,238,991.00	$21,686,098.00	$21,235,929.00	$20,284,242.00
Consolidated Police & Fireman's Retirement Fund	100.00	100.00	100.00	25,000.00
Police & Fireman's Retirement System	24,794,079.00	21,828,288.00	21,566,104.00	21,301,119.00
Defined Contribution Retirement Program	130,000	110,000	105,000	85,000
Total	$47,163,170.00	$43,624,486.00	$42,907,133.00	$41,695,361.00

Source: County of Hudson, Department of Finance and Administration.

In accordance with law, the County adopted early retirement incentive programs for eligible employees covered by PFRS and the PERS. As a result of the employees' early retirements, the County created unfunded accrued liabilities to the PFRS and the PERS (collectively, the "Pension Liabilities"). Such Pension Liabilities are paid by the County annually out of the County's general fund.

The Early Retirement Refinancing Act, P.L. 2002, c. 42, permits municipalities and school districts to issue bonds to fund the cost of retiring the present value of the unfunded accrued liability due and owing for early retirement incentive benefits.

The proceeds of the Bonds were used by the County to (i) pay the present value of the Pension Liabilities, and (ii) pay the cost of issuance of the Bonds.

The County also administers several contributory pension plans which are closed to new memberships. Following is a comparative schedule of combined contributions for the four-year period:

	2026	2025	2024	2023
Hudson County Employee's Pension Fund	$100,000.00	$500,000.00	$500,000.00	$900,000.00
Court Attendants' Pension Fund	84,000.00	120,000.00	180,000.00	280,000.00
Total	$184,000.00	$620,000.00	$680,000.00	$1,180,000.00

Source: County of Hudson, Department of Finance and Administration.

The County also awards non-contributory pensions by resolution of the Board of County Commissioners for certain veterans and County employees who were not eligible to join other pension plans. Following is a comparative schedule of combined contributions for the four-year period:

	2026	2025	2024	2023
Non-Contributory Pension Fund	$2,100,000.00	$1,980,000.00	$2,100,000.00	$2,340,000.00
Veterans' Pension Fund	--	--	--	--
Total	$2,100,000.00	$1,980,000.00	$2,100,000.00	$2,340,000.00

Source: County of Hudson, Department of Finance and Administration.

Health Benefits

Pursuant to Chapter 78, P.L. 2011, the Pension and Benefit Reform Law, the majority of County employees as of July 1, 2015, are contributing at YEAR 4 of the required salary contribution schedule based on the level of insurance coverage and salary. Effective January 1, 2016, all County employees are contributing at YEAR 4.

Annual Audit

The entire annual audit report for the year ended December 31, 2025 is on file with the Clerk of the Board of Commissioners and is available for review during business hours.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE COUNTY

AS OF DECEMBER 31, 2025 AND 2024

COUNTY OF HUDSON

NEW JERSEY

REPORT OF AUDIT

(WITHOUT SUPPLEMENTARY INFORMATION)

FOR THE YEAR ENDED

DECEMBER 31, 2025

COUNTY OF HUDSON
REPORT OF AUDIT
(Without Supplementary Information)
DECEMBER 31, 2025

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DONOHUE GIRONDA DORIA TOMKINS LLC

CERTIFIED PUBLIC ACCOUNTANTS AND
REGISTERED MUNICIPAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Member of the Board of County Commissioners
County of Hudson, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements – regulatory basis of the County of Hudson, New Jersey (the "County"), which comprise the comparative balance sheets – regulatory basis, of each Fund and the comparative statement of General Fixed Assets – regulatory basis, as of December 31, 2025 and 2024, and the related comparative statements of operations and changes in fund balance – regulatory basis, statement of revenues – regulatory basis and statement of appropriations – regulatory basis, of the Current Fund and Affordable Housing Utility Operating Fund, and the related statement of changes in fund balance – regulatory basis, of the General Capital Fund, for the years then ended, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the comparative financial position – regulatory basis, of each Fund and General Fixed Assets of the County as of December 31, 2025 and 2024, the respective operations and changes in fund balance – regulatory basis, revenues – regulatory basis and appropriations – regulatory basis of the Current Fund and Affordable Housing Utility Operating Fund, the changes in fund balance – regulatory basis of the General Capital Fund, for the years then ended, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the County as of December 31, 2025 and 2024, and the changes in its financial position for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the County on the basis of the financial reporting provisions of the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context, but is not required by the financial reporting provisions of the Division. Our opinion on the basic financial statements is not affected by the missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2026, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Donohue Gironda Doria Tomkins

DONOHUE, GIRONDA, DORIA & TOMKINS, LLC
Certified Public Accountants

Mark Bednarz

MARK W. BEDNARZ
RMA No. 547

Secaucus, New Jersey
June 25, 2026

COUNTY OF HUDSON
CURRENT FUND
AS OF DECEMBER 31, 2025 AND 2024

EXHIBIT A

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	2025	2024
Assets		
Current Fund:		
Cash and Cash Equivalents	$ 134,856,460.15	$ 167,503,163.15
Cash - Change Funds	700.00	700.00
	134,857,160.15	167,503,863.15
Receivables and Other Assets with Full Reserves:		
Added and Omitted Taxes	5,362,257.42	6,074,942.38
Interfunds Receivable		
Due from General Capital Fund	152,661.14	113,856.92
Due from Trust Fund	316,434.82	739,533.24
	5,831,353.38	6,928,332.54
Total Current Fund	140,688,513.53	174,432,195.69
Federal and State Grant Fund:		
Cash and Cash Equivalents	45,479,276.90	69,626,683.83
Interfunds Receivable:		
Due from General Capital Fund	-	953,077.08
Federal and State Grants Receivable	51,698,796.42	76,899,961.11
Total Federal and State Grant Fund	97,178,073.32	147,479,722.02
Total Assets	$ 237,866,586.85	$ 321,911,917.71
Liabilities, Reserves and Fund Balance		
Current Fund:		
Appropriation Reserves	$ 21,206,479.83	$ 18,028,579.51
Encumbrances Payable	18,210,052.26	19,253,910.04
Contracts and Commitments Payable	30,676,590.36	62,377,134.50
Prepaid Revenues	211,256.03	1,686,729.67
Due to State of New Jersey		
Realty Transfer Fee	2,683,606.95	2,515,209.74
County Hospital Fee PILOT	827,918.00	
Reserve for:		
Forfeited Bail	758,387.50	737,137.50
Tax Rebate on Capital Investments	2,450,000.00	2,450,000.00
Unclaimed Property	433,863.51	432,109.76
HCST Summer Youth Program	70,331.55	70,331.55
County College (EFA) Interest	33,652.40	33,652.40
	77,562,138.39	107,584,794.67
Reserve for Receivable and Other Assets	5,831,353.38	6,928,332.54
Fund Balance	57,295,021.76	59,919,068.48
Total Current Fund	140,688,513.53	174,432,195.69
Federal and State Grant Fund:		
Reserve for Federal and State Grants		
Appropriated	38,440,843.06	92,339,965.07
Encumbered	58,487,230.26	55,086,707.39
Unappropriated	250,000.00	53,049.56
Total Federal and State Grant Fund	97,178,073.32	147,479,722.02
Total Liabilities, Reserves and Fund Balance	$ 237,866,586.85	$ 321,911,917.71

See Accompanying Notes to the Financial Statements.

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

EXHIBIT A-1

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	2025	2024
Revenue and Other Income Realized		
Fund Balance Utilized	$ 52,000,000.00	$ 42,000,000.00
Miscellaneous Revenue Realized	241,044,246.53	275,761,685.18
Receipts from Current Taxes	453,180,876.11	429,180,876.11
Non-Budget Revenue	6,254,246.10	6,006,563.25
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	6,426,190.29	3,568,538.41
Contracts and Commitments Canceled	30,297,014.00	24,520,522.18
Grant Cancellations	2,858,480.66	12,980.67
Prior Year Interfunds Returned	853,390.16	1,009,126.73
Cancel Reserve for Compensated Absences	-	8,000,000.00
Grant Chargebacks	-	1,701,861.18
Reserves Cancelled	-	170,728.80
	792,914,443.85	791,932,882.51
Expenditures		
Budget Appropriations:		
Operations		
Salaries and Wages	248,119,606.00	242,062,104.00
Other Expenses	336,186,952.22	352,607,281.84
Capital Improvements	48,254,700.96	47,606,914.42
Debt Service	47,133,549.84	41,382,827.94
Deferred Charges	-	500,000.00
Statutory Expenditures	63,374,585.59	61,837,233.00
	743,069,394.61	745,996,361.20
Interfund Advances Originating in Current Year	469,095.96	853,390.16
Capital Grant Reimbursement	-	1,140,527.72
Refund of Prior Year Revenue	-	14,244.76
	743,538,490.57	748,004,523.84
Statutory Excess to Fund Balance	49,375,953.28	43,928,358.67
Fund Balance, January 1	59,919,068.48	57,990,709.81
	109,295,021.76	101,919,068.48
Decreased by:		
Utilization as Anticipated Revenue	52,000,000.00	42,000,000.00
Fund Balance, December 31	$ 57,295,021.76	$ 59,919,068.48

See Accompanying Notes to the Financial Statements.

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

EXHIBIT A-2

STATEMENT OF REVENUES - REGULATORY BASIS

	Adopted Budget	Added by NJSA 40A:4-87	Realized	Excess (Deficit)
SURPLUS	$ 52,000,000.00	$ -	$ 52,000,000.00	$ -
MISCELLANEOUS REVENUES				
LOCAL REVENUES				
County Clerk	190,000.00	-	206,195.32	16,195.32
Register of Deeds	8,775,000.00	-	9,713,340.59	938,340.59
Surrogate	275,000.00	-	309,763.58	34,763.58
Sheriff	915,000.00	-	1,197,233.86	282,233.86
Interest on Investments and Deposits	10,300,000.00	-	8,017,535.86	(2,282,464.14)
Intoxicated Driver Resource Center Fees	290,000.00	-	253,746.72	(36,253.28)
Parks & Recreation	13,675.25	-	32,000.00	18,324.75
Title IV-D, Social Security Act - Child Support Program	925,000.00	-	811,474.68	(113,525.32)
Maintenance of:				
State Prisoners in County Institutions	1,675,000.00	-	1,030,767.90	(644,232.10)
Other Inmates in County Institutions	13,775,425.00	-	15,287,420.00	1,511,995.00
Federal Inmates in County Institutions	14,941,640.00	-	14,291,815.71	(649,824.29)
Federal & State Contracts - Indirect Cost Allocation	5,780,000.00	-	5,795,551.67	15,551.67
	57,855,740.25	-	56,946,845.89	(908,894.36)
STATE AID WITHOUT OFFSETTING APPROPRIATIONS				
County College Bonds (NJSA 18A:64A-22.6)	3,338,683.46	-	2,974,480.25	(364,203.21)
Meadowview Hospital	27,016,019.00	-	31,081,458.69	4,065,439.69
N.J. School Building Aid	4,648,000.00	-	4,648,563.00	563.00
	35,002,702.46	-	38,704,501.94	3,701,799.48
STATE ASSUMPTION OF COSTS OF COUNTY SOCIAL AND WELFARE SERVICES AND PSYCHIATRIC FACILITIES				
Social And Welfare Services (C.66. P.L. 1990):				
Supplemental Social Security Income	2,606,328.00	-	2,713,942.00	107,614.00
Psychiatric Facilities (C.73,P.L. 1990):				
Division of Developmental Disabilities (DDD), Assessment Program	81,314.00	-	75,703.47	(5,610.53)
	2,687,642.00	-	2,789,645.47	102,003.47
PUBLIC AND PRIVATE REVENUES				
Federal and State Grants				
West Hudson Park Program	1,000,000.00	-	1,000,000.00	-
DMHAS Youth Leadership Grant	15,000.00	-	15,000.00	-
NJ OIT 911 Next Generation Grant	496,437.96	-	496,437.96	-
Hazardous Materials Emergency Preparedness	20,000.00	-	20,000.00	-
Arrive Together Critical Incident Model	136,800.00	-	136,800.00	-
Office on Aging Supplemental	13,809.00	-	13,809.00	-
Medicare Assistance Treatment Substance	688,548.00	279,805.00	968,353.00	-
NJSNAP Application Assistance Grant Fund	400,958.00	-	400,958.00	-
Division of Elections Mail in Voter Education	309,090.00	-	309,090.00	-
Ed Byrne Memorial Justince Assistance	423,258.00	-	423,258.00	-
NJ Food Initiative	125,000.00	-	125,000.00	-
Child Advocacy Development Grant	-	95,311.00	95,311.00	-
Training and Technical Assistance in Support	-	10,000.00	10,000.00	-
Clean Communities Grant	-	24,809.44	24,809.44	-
NJ DCA Housing First Re-Entry Pilot Program	-	7,000,000.00	7,000,000.00	-
NJ DCA Housing First Grant	-	500,000.00	500,000.00	-
LEAP Fellowship Grant	-	75,000.00	75,000.00	-
Human Service Advisory Council	-	69,419.00	69,419.00	-
Supportive Assistance to Individuals	-	756,583.00	756,583.00	-
WorkFirst NJ DOL	-	4,025,985.00	4,025,985.00	-
WorkFirst Investment Act	-	6,022,958.00	6,022,958.00	-
WIOA Data Reporting and Analysis Alocation	-	12,971.00	12,971.00	-
Children's Inter-Agency Coordinating Council	-	47,669.00	47,669.00	-
Multi-Jurisdictional Gang, Gun & Narcotics	-	132,664.00	132,664.00	-
Crimes Victims Assistance	-	547,416.00	547,416.00	-
Municipal Alliance Against Alcoholism	1,167,673.00	-	1,167,673.00	-

STATEMENT OF REVENUES - REGULATORY BASIS

	Adopted Budget	Added by NJSA 40A:4-87	Realized	Excess (Deficit)
PUBLIC AND PRIVATE REVENUES				
Federal and State Grants				
Juvenile Justice Commission-Family Court	$ 307,803.00	$ -	$ 307,803.00	$ -
Juvenile Justice Commission-State/Community	1,049,334.00	-	1,049,334.00	-
County Reentry Coordinators (CRC)	-	50,000.00	50,000.00	-
NJ Council on Arts - Block Grant	335,000.00	-	335,000.00	-
NJ Destination Marketing Organization	-	249,000.00	249,000.00	-
County History Partnership Program	95,233.50	-	95,233.50	-
County Based Innovation Project Opioid	-	244,756.00	244,756.00	-
Recreational Opportunities For Disabled	-	35,000.00	35,000.00	-
State Health Insurance Assistance Program (SHIP)	-	42,000.00	42,000.00	-
Local Recreation Improvement Grant	-	76,448.00	76,448.00	-
Highway Sustained Safety Grant	-	140,000.00	140,000.00	-
NJ Highway Traffic Safety Grant	-	55,600.00	55,600.00	-
Enhanced Mobility for Seniors and Disabled	275,000.00	300,000.00	575,000.00	-
Tuberculosis Health Services Grant	-	318,116.00	318,116.00	-
Tuberculosis Health Services Grant	259,037.00	-	259,037.00	-
Area Plan Grant - Aging	4,840,560.00	2,647,679.00	7,488,239.00	-
Homeless & Family Shelter Strategy Program	2,752,600.00	250,000.00	3,002,600.00	-
Ending the HIV Epidemic - Ryan White Parts A and B	841,600.00	2,815,400.00	3,657,000.00	-
HIV Emergency Relief Formula Grant	787,530.00	1,924,108.00	2,711,638.00	-
HIV Emergency Relief Supplemental Grant	-	1,658,323.00	1,658,323.00	-
Minority Aids Interactive Program	79,266.00	348,181.00	427,447.00	-
HC Safe Communities	-	81,040.00	81,040.00	-
Subregional Transportation Planning	-	156,620.00	156,620.00	-
Pedestrian Safety Grant	-	80,000.00	80,000.00	-
Alliance to Prevent Alcoholism and Drug Abuse	-	270,478.00	270,478.00	-
Safe Streets and Roads for All Action Plan	-	260,000.00	260,000.00	-
Grants for Arts Projects Program	-	60,000.00	60,000.00	-
JJB Park Roadway Initiative	-	500,000.00	500,000.00	-
National Opioid Settlement Fund	-	407,410.76	407,410.76	-
Body Armoor Replacement Program	53,049.56	-	53,049.56	-
HC Sart/FNE Program	177,656.00	-	177,656.00	-
Juvenile Detention Alternatives Initiative	60,000.00	-	60,000.00	-
NJ Transit Corp. Senior Citizens & Disabled Residents Transportation Assistance Act	2,054,388.00	-	2,054,388.00	-
	18,764,631.02	32,570,750.20	51,335,381.22	-
OTHER SPECIAL ITEMS				
County Clerk, P.L. 2001 C. 370	75,000.00	-	80,187.07	5,187.07
Register of Deeds, P.L. 2001 C. 370	2,190,000.00	-	2,428,335.15	238,335.15
Surrogate, P.L. 2001 C. 370	245,000.00	-	274,696.01	29,696.01
Sheriff, P.L. 2001 C. 370	585,000.00	-	765,444.60	180,444.60
Maintenance of Federal Inmates in County Institutions	2,636,760.00	-	2,522,085.13	(114,674.87)
Added and Omitted Taxes	6,271,571.70	-	6,271,571.70	-
PILOT Payments, County Share (NJSA 40A:20-1 et.)	9,300,000.00	-	12,914,265.42	3,614,265.42
Division of Social Services (Welfare)	54,629,245.00	-	47,674,188.25	(6,955,056.75)
Motor Vehicle Fines (N.J.S.A. 39:5.41)	2,500,000.00	-	2,500,000.00	-
State of NJ - Lease of Court Space	135,000.00	-	138,709.00	3,709.00
NJ Superior Court - Service Agreements	45,000.00	-	-	(45,000.00)
Meadowview Campus-Treatment Leases	800,000.00	-	886,031.70	86,031.70
Open Space Tax Debt Service	423,783.76	-	423,783.76	-
Reserve to Pay Bonds	14,000,000.00	-	14,000,000.00	-
ARRA Recovery Zone Bonds Subsidy	259,282.80	-	388,574.22	129,291.42
	94,095,643.26	-	91,267,872.01	(2,827,771.25)
Total Miscellaneous Revenues	208,406,358.99	32,570,750.20	241,044,246.53	67,137.34

COUNTY OF HUDSON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT OF REVENUES - REGULATORY BASIS

	Adopted Budget	Added by NJSA 40A:4-87	Realized	Excess (Deficit)
AMOUNT TO BE RAISED BY TAXATION				
County Purpose Tax	$ 453,180,876.11	$ -	$ 453,180,876.11	$ -
Budget Totals	713,587,235.10	32,570,750.20	746,225,122.64	67,137.34
Non-Budget Revenues	-	-	6,254,246.10	6,254,246.10
	$ 713,587,235.10	$ 32,570,750.20	$ 752,479,368.74	$ 6,321,383.44
Miscellaneous Revenues Anticipated				
Federal and State Grants			$ 51,335,381.22	
Added & Omitted Taxes Collected in Prior Year			196,629.32	
Added & Omitted Taxes Collected in Current Year			6,074,942.38	
Revenues Collected in Prior Year			1,490,100.35	
Interfunds			19,760,000.27	
Cash Receipts			162,187,192.99	
Total Miscellaneous Revenues Realized			241,044,246.53	
County Purpose Tax			453,180,876.11	
Fund Balance Realized			52,000,000.00	
Total Budget Revenues			$ 746,225,122.64	

COUNTY OF HUDSON **EXHIBIT A-2a**
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT OF REVENUES - REGULATORY BASIS
ANALYSIS OF NON-BUDGET REVENUES

	Cash Receipts	Total
Increased by Cash Received for:		
Interest on Delinquent Taxes	$ 192.47	$ 192.47
Salary Refunds	53,482.39	53,482.39
Special Civil - Fines	795.00	795.00
County Fines/ATS	51,450.00	51,450.00
Various Reimbursements-Fringe & Indirect	607,923.54	607,923.54
Welfare Reimbursements-Fringe & Indirect	822,464.23	822,464.23
Prisoner Maintenance - Jail	6,516.00	6,516.00
Reimbursements to County for Inmate Medical Co-Pay	633.75	633.75
County Sheriff's GPS Electronic Monitoring	185,659.33	185,659.33
Commissions - Vending Machines	10,816.47	10,816.47
Mental Administrator-Salary Reimb.	12,000.00	12,000.00
Miscellaneous Receipts	672,304.72	672,304.72
Division of Aging - State Aid	58,000.00	58,000.00
HC Chest Clinic	16,038.00	16,038.00
Meadowview Utilities Payment	250,000.00	250,000.00
SSA Recoveries	23,200.00	23,200.00
Motion Pictures Video and Photo Prod. Location	134,925.20	134,925.20
Public Safety Training Center Fees	21,680.00	21,680.00
County Option Hospital Fee Pilot Program	2,176,343.52	2,176,343.52
Video Visitation Commissions	201.16	201.16
State of NJ Gross Income Tax Refunds	1,067.94	1,067.94
County Fire Marshal Fees	8,527.70	8,527.70
Cares Act - Meadowview Hospital	528,463.24	528,463.24
Constitutional Officer Salary Reimbursement	108,249.83	108,249.83
County Guarantee Fees	500,000.00	500,000.00
Culture and Heritage Event Fees	3,311.61	3,311.61
Total Non-Budget Revenues Received in Cash	$ 6,254,246.10	$ 6,254,246.10

See Accompanying Notes to the Financial Statements.

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriated		Expended			Unexpended Balances Canceled
	Adopted Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	
LEGISLATIVE						
Board of County Commissioners						
Salaries and Wages	$ 1,221,455.00	$ 1,126,455.00	$ 1,078,254.04	$ -	$ 48,200.96	$ -
Other Expenses	256,000.00	251,000.00	135,350.09	101,966.29	13,683.62	-
Clerk of the Board						
Salaries and Wages	385,330.00	385,330.00	375,269.41	-	10,060.59	-
Other Expenses	66,650.00	71,650.00	59,319.09	12,073.38	257.53	-
	1,929,435.00	1,834,435.00	1,648,192.63	114,039.67	72,202.70	-
ADMINISTRATIVE AND EXECUTIVE						
County Administrator						
Salaries and Wages	1,194,008.00	1,184,008.00	1,152,729.60	-	31,278.40	-
Other Expenses	1,600,000.00	1,600,000.00	1,243,177.11	302,344.15	54,478.74	-
County Executive						
Salaries and Wages	1,859,843.00	1,814,843.00	1,733,715.94	-	81,127.06	-
Other Expenses	130,115.00	130,115.00	87,745.32	13,808.71	28,560.97	-
Law Department						
Salaries and Wages	4,036,972.00	3,711,972.00	3,577,160.91	-	134,811.09	-
Other Expenses	2,098,312.00	1,998,312.00	1,249,685.11	695,033.40	53,593.49	-
Office of Consumer Protection						
Salaries and Wages	100.00	80,100.00	57,479.59	-	22,620.41	-
Other Expenses	9,360.00	9,460.00	8,766.48	379.80	313.72	-
Planning Board						
Salaries and Wages	100.00	100.00	-	-	100.00	-
Other Expenses	60,080.00	60,080.00	39,501.80	14,247.46	6,330.74	-
Public Safety Training Center						
Salaries and Wages	687,591.00	672,591.00	648,949.44	-	23,641.56	-
Other Expenses	169,340.00	169,340.00	70,487.37	8,300.43	90,552.20	-
Office of Cultural and Heritage Affairs						
Salaries and Wages	960,092.00	960,092.00	943,584.60	-	16,507.40	-
Other Expenses	832,910.00	832,910.00	664,729.09	65,853.57	102,327.34	-
Public Employees Award Program	100.00	100.00	-	-	-	100.00
	13,638,923.00	13,224,023.00	11,477,712.36	1,099,967.52	646,243.12	100.00
DEPARTMENT OF FINANCE AND ADMINISTRATION						
Division of Human Resources						
Salaries and Wages	1,586,859.00	1,496,859.00	1,437,378.55	-	59,480.45	-
Other Expenses	510,215.00	525,215.00	449,489.43	65,591.22	10,134.35	-
Director of Human Resources						
Salaries and Wages	-	140,000.00	66,492.23	-	73,507.77	-
Other Expenses	-	10,000.00	-	-	10,000.00	-
Director of Finance and Administration						
Salaries and Wages	699,565.00	709,565.00	695,368.35	-	14,196.65	-
Other Expenses	20,000.00	20,000.00	8,662.13	1,542.76	9,795.11	-
Audit Services	250,000.00	250,000.00	-	-	250,000.00	-
Division of Accounts and Controls						
Salaries and Wages	1,322,982.00	1,282,982.00	1,250,035.83	-	32,946.17	-
Other Expenses	136,939.00	86,939.00	18,728.93	45,035.41	23,174.66	-
Division of Purchasing						
Salaries and Wages	670,003.00	565,003.00	538,909.96	-	26,093.04	-
Other Expenses	48,205.00	48,205.00	42,282.78	480.00	5,442.22	-
Office of Grants Management						
Salaries and Wages	490,630.00	380,630.00	339,155.24	-	41,474.76	-
Other Expenses	133,150.00	133,150.00	65,337.27	4,560.00	63,252.73	-
Division of Information Technologies						
Salaries and Wages	302,901.00	282,901.00	272,642.34	-	10,258.66	-
Other Expenses	4,219,229.00	4,269,229.00	3,696,527.50	407,326.58	165,374.92	-
Division of Tax Assessments						
Salaries and Wages	541,801.00	541,801.00	524,815.93	-	16,985.07	-
Other Expenses	6,750.00	6,750.00	1,749.36	-	5,000.64	-
Insurance						
Liability Insurance	3,750,000.00	5,200,000.00	5,200,000.00	-	-	-
Worker Compensation	3,750,000.00	6,900,000.00	6,900,000.00	-	-	-
Group Plans for Employees	63,000,000.00	64,000,000.00	61,831,598.94	9,381.70	2,159,019.36	-
Health Benefit Waiver	560,000.00	570,000.00	567,055.62	-	2,944.38	-
	81,999,229.00	87,419,229.00	83,906,230.39	533,917.67	2,979,080.94	-

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriated		Expended			Unexpended
	Adopted Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Balances Canceled
CONSTITUTIONAL OFFICES						
County Clerk						
Salaries and Wages	$ 1,878,921.00	$ 1,808,921.00	$ 1,750,597.29	$ -	$ 58,323.71	$ -
Other Expenses	69,200.00	69,200.00	52,448.78	14,333.52	2,417.70	-
Register of Deeds and Mortgages						
Salaries and Wages	2,484,729.00	2,189,729.00	2,135,235.46	-	54,493.54	-
Other Expenses	75,209.00	75,209.00	42,667.40	1,410.23	31,131.37	-
Prosecutor's Office						
Salaries and Wages	28,932,577.00	27,607,577.00	26,856,050.49	-	751,526.51	-
Other Expenses	3,899,735.00	3,899,735.00	2,983,533.38	861,075.50	55,126.12	-
	37,340,371.00	35,650,371.00	33,820,532.80	876,819.25	953,018.95	-
THE JUDICIARY						
County Surrogate						
Salaries and Wages	1,684,277.00	1,614,277.00	1,561,943.20	-	52,333.80	-
Other Expenses	92,075.00	92,075.00	47,233.61	11,449.81	33,391.58	-
Probation Department						
Other Expenses	100.00	100.00	-	-	100.00	-
Title IV-D Social Security Act						
Other Expenses	100.00	100.00	-	-	100.00	-
	1,776,552.00	1,706,552.00	1,609,176.81	11,449.81	85,925.38	-
REGULATION						
County Clerk Elections						
Other Expenses	32,350.00	32,350.00	19,031.21	5,515.71	7,803.08	-
Special Election Expense	1,881,000.00	2,081,000.00	1,929,780.59	124,944.25	26,275.16	-
Board of Elections						
Salaries and Wages	1,025,200.00	1,025,200.00	873,923.24	-	151,276.76	-
Other Expenses	190,400.00	190,400.00	175,775.02	12,533.54	2,091.44	-
Special Election Expense	1,274,500.00	2,274,500.00	2,101,903.69	4,300.00	168,296.31	-
Superintendent of Elections						
Other Expenses	4,171,038.00	4,171,038.00	3,300,993.19	310,411.14	559,633.67	-
Weights and Measures						
Salaries and Wages	628,546.00	468,546.00	454,385.27	-	14,160.73	-
Other Expenses	500.00	400.00	-	-	400.00	-
Sheriff's Office						
Salaries and Wages	41,101,276.00	42,326,276.00	41,624,337.08	-	701,938.92	-
Other Expenses	2,278,576.00	1,853,576.00	1,626,300.23	98,885.74	128,390.03	-
Medical Examiner						
Other Expenses	2,750,000.00	2,750,000.00	1,185,510.42	550,000.00	1,014,489.58	-
	55,333,386.00	57,173,286.00	53,291,939.94	1,106,590.38	2,774,755.68	-
DEPARTMENT OF PLANNING AND BUSINESS OPPORTUNITY						
Office of Data Analytics						
Salaries and Wages	303,263.00	303,263.00	297,041.20	-	6,221.80	-
Other Expenses	13,660.00	13,660.00	2,070.62	7,920.00	3,669.38	-
Office of Business Opportunity & Community Service						
Salaries and Wages	532,898.00	542,898.00	528,281.41	-	14,616.59	-
Other Expenses	52,090.00	42,090.00	31,815.38	3,236.10	7,038.52	-
Division of Planning						
Salaries and Wages	926,010.00	936,010.00	914,451.31	-	21,558.69	-
Other Expenses	85,015.00	85,015.00	62,385.16	20,466.32	2,163.52	-
Office of Digital Information						
Salaries and Wages	681,555.00	671,555.00	651,208.22	-	20,346.78	-
Other Expenses	107,900.00	107,900.00	105,233.83	481.72	2,184.45	-
Director of Planning and Business Opportunity						
Salaries and Wages	616,421.00	581,421.00	561,491.51	-	19,929.49	-
Other Expenses	117,530.00	142,530.00	102,138.95	15,201.38	25,189.67	-
	3,436,342.00	3,426,342.00	3,256,117.59	47,305.52	122,918.89	-
DEPARTMENT OF PARKS						
Division of Parks						
Salaries and Wages	9,704,380.00	9,479,380.00	9,138,658.64	-	340,721.36	-
Other Expenses	4,193,392.00	3,618,392.00	2,543,052.15	696,822.46	378,517.39	-
Utilities	2,800,000.00	2,800,000.00	2,350,552.87	266,142.02	183,305.11	-
Director of Parks						
Salaries and Wages	664,758.00	659,758.00	630,167.19	-	29,590.81	-
Other Expenses	31,000.00	31,000.00	3,498.99	20,202.63	7,298.38	-
	17,393,530.00	16,588,530.00	14,665,929.84	983,167.11	939,433.05	-

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriated		Expended			Unexpended
	Adopted Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Balances Canceled
DEPARTMENT OF ROADS & PUBLIC PROPERTY						
Division of Central Services						
Salaries and Wages	$ 679,904.00	$ 639,904.00	$ 615,487.89	$ -	$ 24,416.11	$ -
Other Expenses	534,940.00	534,940.00	345,452.95	109,786.50	79,700.55	-
Division of Engineering						
Salaries and Wages	1,753,154.00	1,598,154.00	1,554,854.26	-	43,299.74	-
Other Expenses	69,280.00	69,280.00	33,621.46	15,437.53	20,221.01	-
Construction Board of Appeals						
Other Expenses	24,000.00	24,000.00	18,349.32	340.00	5,310.68	-
Office of Emergency Management						
Salaries and Wages	570,548.00	505,548.00	483,900.88	-	21,647.12	-
Other Expenses	136,250.00	136,250.00	64,372.24	44,627.76	27,250.00	-
Division of Roads and Bridges						
Salaries and Wages	2,133,895.00	2,093,895.00	2,004,509.78	-	89,385.22	-
Other Expenses	944,726.00	1,064,726.00	888,392.02	105,692.01	70,641.97	-
Office of Traffic Signals and Signs						
Salaries and Wages	810,298.00	810,298.00	756,534.63	-	53,763.37	-
Other Expenses	320,000.00	350,000.00	249,208.54	78,463.44	22,328.02	-
County Bridges						
Other Expenses	100.00	100.00	-	-	100.00	-
Joint Bridges						
Salaries and Wages	160,630.00	180,630.00	164,964.43	-	15,665.57	-
Other Expenses	120,550.00	120,550.00	74,522.97	-	46,027.03	-
Director of Roads & Public Property						
Salaries and Wages	914,631.00	914,631.00	877,609.95	-	37,021.05	-
Other Expenses	54,550.00	134,550.00	69,163.94	61,114.72	4,271.34	-
Division of Buildings and Grounds						
Salaries and Wages	15,514,014.00	14,859,014.00	14,553,782.52	-	305,231.48	-
Other Expenses	6,515,000.00	6,415,000.00	4,294,655.96	948,422.39	1,171,921.65	-
Fuel	100.00	100.00	-	-	100.00	-
Telephone, Water & Light	9,300,000.00	9,425,000.00	8,854,772.02	145,924.34	424,303.64	-
Motor Pool						
Salaries and Wages	1,143,978.00	1,068,978.00	997,863.63	-	71,114.37	-
Other Expenses	1,080,750.00	1,080,750.00	923,134.30	120,178.94	37,436.76	-
Utilities	720,000.00	495,000.00	262,590.94	71,576.63	160,832.43	-
Lighting of Highways & Bridges	1,250,000.00	1,400,000.00	1,271,908.20	1,200.00	126,891.80	-
	44,751,298.00	43,921,298.00	39,359,652.83	1,702,764.26	2,858,880.91	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Division of Children and Youth Services						
Salaries and Wages	228,840.00	248,840.00	182,613.18	-	66,226.82	-
Other Expenses	3,775,365.00	3,075,365.00	1,900,135.73	663,531.07	511,698.20	-
Food and Kitchen Supplies	100.00	100.00	-	-	100.00	-
Office of Transportation Services						
Salaries and Wages	662,026.00	227,026.00	171,119.16	-	55,906.84	-
Other Expenses	489,000.00	539,000.00	345,625.03	154,080.75	39,294.22	-
Director of Health and Human Services						
Salaries and Wages	862,442.00	842,442.00	815,961.39	-	26,480.61	-
Other Expenses	769,206.00	669,206.00	163,986.21	416,616.01	88,603.78	-
Office of Specialized Health Services						
Salaries and Wages	33,197.00	33,197.00	-	-	33,197.00	-
Other Expenses	5,000.00	5,000.00	-	-	5,000.00	-
Division of Aging						
Salaries and Wages	442,773.00	357,773.00	338,595.40	-	19,177.60	-
Other Expenses	38,650.00	38,650.00	26,329.32	828.00	11,492.68	-
Office of Veteran's Affairs						
Salaries and Wages	39,391.00	39,391.00	28,723.20	-	10,667.80	-
Other Expenses	64,800.00	64,800.00	32,161.38	2,843.25	29,795.37	-
Office of Inclusion and Accessibility						
Salaries and Wages	226,280.00	226,280.00	207,431.62	-	18,848.38	-
Other Expenses	45,220.00	45,220.00	(96,406.76)	8,618.87	133,007.89	-
Office of Public Health Services						
Salaries and Wages	778,393.00	833,393.00	777,635.30	-	55,757.70	-
Other Expenses	2,296,117.00	2,416,117.00	1,739,427.93	518,621.63	158,067.44	-
Division of Mental Health & Addiction Services						
Salaries and Wages	343,534.00	333,534.00	309,721.86	-	23,812.14	-
Other Expenses	6,250.00	6,250.00	-	-	6,250.00	-
Diagnostic Shelter Program - Contractual	241,995.00	241,995.00	147,628.00	13,702.00	80,665.00	-
Office of Food and Health Equity						
Salaries and Wages	245,366.00	235,366.00	201,816.13	-	33,549.87	-
Other Expenses	130,000.00	130,000.00	13,442.93	50,394.05	66,163.02	-

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriated		Expended			Unexpended
	Adopted Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Balances Canceled
HEALTH AND HUMAN SERVICES (continued)						
Meadowview Psychiatric Hospital						
Salaries and Wages	$ 16,497,472.00	$ 16,322,472.00	$ 15,955,968.08	$ -	$ 366,503.92	$ -
Other Expenses	3,284,824.00	3,109,824.00	1,842,851.28	993,076.17	273,896.55	-
Food and Kitchen Supplies	1,800,000.00	1,800,000.00	1,413,371.26	380,001.43	6,627.31	-
Aid to Handicapped Adults	70,000.00	70,000.00	-	-	70,000.00	-
Children's Center for Special Needs	75,000.00	75,000.00	57,679.37	17,320.63	(0.00)	-
Aid to County Branch	47,000.00	47,000.00	32,448.24	14,551.76	(0.00)	-
Visiting Homemaker Service	5,700.00	5,700.00	-	-	5,700.00	-
Maintenance of Patients in State Institutions for:						
Mental Disease N.J.S.A. 30:4-79	5,917,392.00	5,917,392.00	5,904,044.60	9,691.50	3,655.90	-
Project C.A.A.R.E.	1,142,460.00	1,142,460.00	728,203.88	293,812.29	120,443.83	-
	40,563,793.00	39,098,793.00	33,240,513.72	3,537,689.41	2,320,589.87	-
DEPARTMENT OF FAMILY SERVICES						
County Welfare Agency						
Salaries and Wages	41,499,505.00	41,499,505.00	37,688,434.14	-	1,811,070.86	2,000,000.00
Other Expenses	31,313,218.00	31,313,218.00	27,014,643.98	1,562,924.50	1,735,649.52	1,000,000.00
Director of Family Services						
Salaries and Wages	1,132,975.00	1,052,975.00	1,017,338.48	-	35,636.52	-
Other Expenses	952,538.00	952,538.00	728,930.75	135,542.35	88,064.90	-
Office of Workforce Development						
Salaries and Wages	187,487.00	187,487.00	182,804.88	-	4,682.12	-
Other Expenses	40,130.00	40,130.00	34,714.21	3,026.00	2,389.79	-
County Assistance Programs	3,447,582.00	3,447,582.00	3,447,582.00	-	-	-
	78,573,435.00	78,493,435.00	70,114,448.44	1,701,492.85	3,677,493.71	3,000,000.00
DEPARTMENT OF CORRECTIONS AND REHABILITATION						
Adult Correctional Center						
Salaries and Wages	59,159,127.00	56,834,127.00	55,620,252.18	-	1,213,874.82	-
Other Expenses	20,353,721.00	20,353,721.00	15,438,543.51	4,195,742.72	719,434.77	-
Food and Kitchen Supplies	9,100,000.00	9,625,000.00	8,412,183.97	1,094,177.34	118,638.69	-
Municipal Authorities and Utilities	1,000,000.00	900,000.00	621,281.33	42,000.00	236,718.67	-
	89,612,848.00	87,712,848.00	80,092,260.99	5,331,920.06	2,288,666.95	-
DEPARTMENT OF EDUCATION						
Superintendent of Schools						
Salaries and Wages	208,477.00	188,477.00	172,715.57	-	15,761.43	-
Other Expenses	20,000.00	20,000.00	9,903.98	675.08	9,420.94	-
Hudson County Community College	22,166,238.00	22,166,238.00	22,166,237.50	-	0.50	-
Reimbursements for Residents Attending Out of County						
Two Year Colleges (NJSA 18A:64A-23)	125,000.00	125,000.00	113,601.63	-	11,398.37	-
Vocational School	42,248,000.00	42,248,000.00	42,248,000.00	-	-	-
	64,767,715.00	64,747,715.00	64,710,458.68	675.08	36,581.24	-
DEPARTMENT OF HOUSING AND COMMUNITY REINTEGRATION						
Division of Housing and Community Development						
Salaries and Wages	221,683.00	221,683.00	116,872.46	-	104,810.54	-
Other Expenses	631,850.00	731,850.00	385,781.39	243,900.92	102,167.69	-
Division of Community Reintegration						
Salaries and Wages	1,621,503.00	1,481,503.00	1,387,461.03	-	94,041.97	-
Other Expenses	112,800.00	112,800.00	43,326.75	14,194.50	55,278.75	-
	2,587,836.00	2,547,836.00	1,933,441.63	258,095.42	356,298.95	-
DEPARTMENT OF AGING AND VETERANS' AFFAIRS						
Director of Aging and Veterans' Affairs						
Salaries and Wages	724,020.00	724,020.00	707,623.67	-	16,396.33	-
Other Expenses	222,750.00	232,750.00	221,869.58	760.00	10,120.42	-
	946,770.00	956,770.00	929,493.25	760.00	26,516.75	-
UNCLASSIFIED						
Administration of Debt Service	625,000.00	775,000.00	695,986.70	55,500.00	23,513.30	-
Ethics Board						
Salaries and Wages	9,020.00	9,020.00	8,857.20	-	162.80	-
Other Expenses	10,000.00	10,000.00	2,436.00	-	7,564.00	-
Volunteer Fire Co. Instruction -						
N.J.S.A. 40:23-89	4,000.00	4,000.00	4,000.00	-	-	-
Advertisements and Announcements	400,000.00	400,000.00	102,657.71	204,314.68	93,027.61	-
	1,048,020.00	1,198,020.00	813,937.61	259,814.68	124,267.71	-
Subtotal Operations	535,699,483.00	535,699,483.00	494,870,039.51	17,566,468.69	20,262,874.80	3,000,100.00
Detail:						
Salaries and Wages	255,929,606.00	250,119,606.00	240,571,166.37	-	7,548,439.63	2,000,000.00
Other Expenses	279,769,877.00	285,579,877.00	254,298,873.14	17,566,468.69	12,714,435.17	1,000,100.00

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriated		Expended			Unexpended
	Adopted Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Balances Canceled
PUBLIC AND PRIVATE PROGRAMS						
Matching Funds for Grants	$ 75,000.00	$ 75,000.00	$ -	$ -	$ 75,000.00	$ -
Federal and State Grants						
West Hudson Park Program	1,000,000.00	1,000,000.00	1,000,000.00	-	-	-
DMHAS Youth Leadership Grant	15,000.00	15,000.00	15,000.00	-	-	-
NJ OIT 911 Next Generation Grant	496,437.96	496,437.96	496,437.96	-	-	-
Hazardous Materials Emerg. Preparedness	20,000.00	20,000.00	20,000.00	-	-	-
Arrive Together Critical Incident Model	136,800.00	136,800.00	136,800.00	-	-	-
Office on Aging Supplemental	13,809.00	13,809.00	13,809.00	-	-	-
Medicare Assistance Treatment Substance	688,548.00	688,548.00	688,548.00	-	-	-
NJSNAP Application Assistance Grant Fund	400,958.00	400,958.00	400,958.00	-	-	-
Division of Elections Mail in Voter Educatior	309,090.00	309,090.00	309,090.00	-	-	-
Ed Byrne Memorial Justince Assistance	423,258.00	555,922.00	555,922.00	-	-	-
NJ Food Initiative	125,000.00	125,000.00	125,000.00	-	-	-
Social Services for Homeless	-	250,000.00	250,000.00	-	-	-
Drug Recognition Experts Program	-	27,800.00	27,800.00	-	-	-
Hudson County Reentry Pilot Program	-	7,000,000.00	7,000,000.00	-	-	-
Safe Streets and roads for All	-	260,000.00	260,000.00	-	-	-
Training in Support of Clients with SMI/SED	-	10,000.00	10,000.00	-	-	-
James J. Braddock Park Roadway Safety	-	500,000.00	500,000.00	-	-	-
WIOA - Adult and Dislocated Worker Allot.	-	4,255,614.00	4,255,614.00	-	-	-
WIOA - Youth Allotments	-	1,767,344.00	1,767,344.00	-	-	-
Victims of Crime Act	-	547,416.00	547,416.00	-	-	-
Children's Inter-Agency Coordinating Council	-	47,669.00	47,669.00	-	-	-
Medication Assisted Treament Initiative	-	279,805.00	279,805.00	-	-	-
DRE Readiness and Reimbursement Program	-	27,800.00	27,800.00	-	-	-
Municipal Alliance Against Alcoholism	-	270,478.00	270,478.00	-	-	-
County Reentry Coordinators (CRC)	-	50,000.00	50,000.00	-	-	-
Sr Cit. & Disabled Residents Transportation	2,054,388.00	2,054,388.00	2,054,388.00	-	-	-
NJ Council on Arts - Block Grant	335,000.00	335,000.00	335,000.00	-	-	-
NJ Destination Marketing Organization	-	249,000.00	249,000.00	-	-	-
County History Partnership Program	95,233.50	95,233.50	95,233.50	-	-	-
Comprehensive Alcohol Services	1,359,467.00	1,359,467.00	1,359,467.00	-	-	-
County Based Innovation Project Opioid	-	244,756.00	244,756.00	-	-	-
Recreational Opportunities For Disabled	-	35,000.00	35,000.00	-	-	-
LEAP Fellowship Grant	-	75,000.00	75,000.00	-	-	-
HC Housing First Grant	-	500,000.00	500,000.00	-	-	-
Local Recreation Improvement Grant	-	76,448.00	76,448.00	-	-	-
Work First New Jersey	-	4,025,985.00	4,025,985.00	-	-	-
Juvenile Justice Commission - Partnership	1,049,334.00	1,049,334.00	1,049,334.00	-	-	-
Clients of Family Court	307,803.00	307,803.00	307,803.00	-	-	-
Body Armor Replacement Grant	53,049.56	53,049.56	53,049.56	-	-	-
Juvenile Detention Alternatives Initiative	60,000.00	60,000.00	60,000.00	-	-	-
Clean Communities Grant	-	24,809.44	24,809.44	-	-	-
Human Services Advisory Council	-	69,419.00	69,419.00	-	-	-
Child Advocacy Center - Team Fund	-	95,311.00	95,311.00	-	-	-
Hudson County SANE/SART Program	177,656.00	177,656.00	177,656.00	-	-	-
WIOA Data Reporting/Analysis Allocation	-	12,971.00	12,971.00	-	-	-
Subregional Transportation Planning Grant	-	156,620.00	156,620.00	-	-	-
Hudson County Safe Communities Program	-	81,040.00	81,040.00	-	-	-
Pedestrian Safety, Education & Enforcement	-	80,000.00	80,000.00	-	-	-
Highway Sustained Safety Grant	-	140,000.00	140,000.00	-	-	-
Enhanced Mobility for Seniors and Disabled	275,000.00	275,000.00	275,000.00	-	-	-
H.C. Ambulatory Tuberculosis Care Program	-	318,116.00	318,116.00	-	-	-
Tuberculosis Health Services Grant	259,037.00	259,037.00	259,037.00	-	-	-
Area Plan Grant - Aging	4,840,560.00	7,488,239.00	7,488,239.00	-	-	-
State Health Insurance Assistance Program	-	42,000.00	42,000.00	-	-	-
Homeless & Family Shelter Strategy Prog.	2,752,600.00	2,752,600.00	2,752,600.00	-	-	-
Ending HIV Epidemic - Ryan White A & B	841,600.00	3,888,472.00	3,888,472.00	-	-	-
Supportive Assist. to Individuals & Families	-	756,583.00	756,583.00	-	-	-
HIV Emergency Relief Formula Grant	787,530.00	2,711,638.00	2,711,638.00	-	-	-
HIV Emergency Relief Supplemental Grant	-	1,658,323.00	1,658,323.00	-	-	-
Minority Aids Interactive Program	79,266.00	195,975.00	195,975.00	-	-	-
American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds	-	300,000.00	300,000.00	-	-	-
National Opioid Settlement Fund	-	407,410.76	407,410.76	-	-	-
Grants for Arts Projects Program	-	60,000.00	60,000.00	-	-	-
Total Public and Private Programs	19,031,425.02	51,602,175.22	51,527,175.22	-	75,000.00	-

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriated		Expended			Unexpended
	Adopted Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Balances Canceled
Total Operations	$ 554,730,908.02	$ 587,301,658.22	$ 546,397,214.73	$ 17,566,468.69	$ 20,337,874.80	$ 3,000,100.00
Contingent	30,000.00	30,000.00	-	-	5,000.00	25,000.00
Total Operations Including Contingent	554,760,908.02	587,331,658.22	546,397,214.73	17,566,468.69	20,342,874.80	3,025,100.00
Detail:						
Salaries and Wages	255,929,606.00	250,119,606.00	240,571,166.37	-	7,548,439.63	2,000,000.00
Other Expenses	298,831,302.02	337,212,052.22	305,826,048.36	17,566,468.69	12,794,435.17	1,025,100.00
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	3,000,000.00	3,000,000.00	3,000,000.00	-	-	-
Facility Lease Revenue Bonds:						
Various Projects	9,659,802.81	9,659,802.81	9,659,699.31	-	-	103.50
County Plaza	3,432,825.00	3,432,825.00	3,432,825.00	-	-	-
County Secured Lease Revenue Bonds -						
Vocational Tech	11,436,625.00	11,436,625.00	11,428,066.95	-	0.00	8,558.05
Casino in the Park	541,959.70	541,959.70	541,959.70	-	-	-
Courthouse	20,192,150.00	20,192,150.00	20,192,150.00	-	-	-
	48,263,362.51	48,263,362.51	48,254,700.96	-	0.00	8,661.55
COUNTY DEBT SERVICE						
Payment of Bond Principal						
(a) County College Bonds	770,000.00	770,000.00	770,000.00	-	-	-
(b) State Aid - County College Bonds	5,047,000.00	5,047,000.00	5,047,000.00	-	-	-
(c) Vocational School Bonds	6,765,000.00	6,765,000.00	6,765,000.00	-	-	-
(d) Other Bonds	16,329,375.00	16,329,375.00	16,329,375.00	-	-	-
Interest on Bonds						
(a) County College Bonds	300,743.76	300,743.76	300,743.76	-	-	-
(b) State Aid - County College Bonds	1,630,366.93	1,630,366.93	1,630,366.93	-	-	-
(c) Vocational School Bonds	1,875,530.70	1,875,530.70	1,875,530.70	-	-	-
(d) Other Bonds	8,139,058.72	8,139,058.72	8,134,329.57	-	(0.00)	4,729.15
Interest on Notes	5,608,583.48	5,608,583.48	5,608,583.48	-	-	-
Open Space Bonds	260,000.00	260,000.00	260,000.00	-	-	-
Interest on Open Space Bonds	163,783.76	163,783.76	163,783.76	-	-	-
Green Trust Loan Program	298,836.63	298,836.63	248,836.64	-	-	49,999.99
	47,188,278.98	47,188,278.98	47,133,549.84	-	(0.00)	54,729.14
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures						
Contribution To:						
Public Employee Retirement System	21,686,098.00	21,686,098.00	21,686,098.00	-	-	-
Social Security System	15,850,000.00	15,850,000.00	15,550,496.15	-	299,503.85	-
Police and Fire Retirement System	21,828,287.59	21,828,287.59	21,828,287.59	-	-	-
County Pension & Retirement Fund	500,000.00	500,000.00	500,000.00	-	-	-
Defined Contribution Retirement Plan	110,000.00	110,000.00	104,900.88	-	5,099.12	-
N.J. State Disability Insurance	1,000,000.00	1,000,000.00	892,526.19	-	107,473.81	-
Unemployment Compensation Insurance	300,000.00	300,000.00	-	-	300,000.00	-
Consolidated Police & Fire Pension	100.00	100.00	-	-	100.00	-
Court Attendant Pension Fund	120,000.00	120,000.00	63,195.72	-	56,804.28	-
Non-Contributory County Pension	1,980,000.00	1,980,000.00	1,885,476.03	-	94,523.97	-
Veterans Pension Fund	100.00	100.00	-	-	100.00	-
	63,374,585.59	63,374,585.59	62,510,980.56	-	863,605.03	-
JUDGMENTS	100.00	100.00	-	-	-	100.00
TOTAL GENERAL APPROPRIATIONS	$ 713,587,235.10	$ 746,157,985.30	$ 704,296,446.09	$ 17,566,468.69	$ 21,206,479.83	$ 3,088,590.69
				A-20	A	

Budget as Adopted	$	713,587,235.10
Added by N.J.S.A. 40A:4-87		32,570,750.20
		746,157,985.30
Appropriations Canceled		3,088,590.69
	$	743,069,394.61

Capital Improvement Fund	$	3,000,000.00
Self Insurance Trust Fund Expenditures		12,400,000.00
Federal and State Grant Appropriations		51,527,175.22
Interfund Subtotal		66,927,175.22
Cash Disbursed		637,369,270.87
	$	704,296,446.09

COUNTY OF HUDSON **Exhibit B**
TRUST FUND
AS OF DECEMBER 31, 2025 AND 2024

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	2025	2024
Assets		
Cash and Cash Equivalents		
Community Development	$ 73,795.40	$ 398,907.32
State Unemployment	4,542,022.66	5,461,254.92
Self Insurance	646,470.92	5,146,364.71
Other Trust	76,078,256.44	61,616,278.88
	81,340,545.42	72,622,805.83
Community Development Programs Receivable	26,415,637.72	27,673,396.86
Total Assets	$ 107,756,183.14	$ 100,296,202.69
Liabilities and Reserves		
Reserve for:		
Encumbrances	$ 32,633,446.78	$ 27,375,463.47
Due to Current Fund	316,434.82	739,533.24
Community Development Programs	21,503,992.67	19,354,766.77
Self-Insurance Fund	205,225.46	4,705,119.25
State Unemployment Insurance Fund	4,513,174.00	5,432,406.26
Reserves and Special Deposits:		
Dedicated Revenues	24,031,320.29	19,840,905.88
Motor Vehicle Fines	3,387,568.41	2,701,666.47
Confiscated Cash Seized on Arrest	800,526.56	800,526.56
Other Cash Reserves	241,664.04	241,664.04
Accumulated Absences	4,376,960.74	5,008,322.49
County Open Space	15,304,623.91	13,654,582.80
Fund Balance	441,245.46	441,245.46
Total Liabilities and Reserves	$ 107,756,183.14	$ 100,296,202.69

See Accompanying Notes to Financial Statements.

COUNTY OF HUDSON **EXHIBIT C**
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2025 AND 2024

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	2025	2024
Assets		
Cash and Cash Equivalents	$ 113,757,175.82	$ 70,656,118.23
State Road Aid Allotments Receivable	112,191,639.22	97,908,296.69
Grants Receivable - Other	9,283,550.00	4,213,550.00
Due From State - Green Acres Program II	9,386,440.50	7,287,440.50
Deferred Charges to Future Taxation:		
Funded	362,613,415.87	385,355,328.01
Unfunded	316,866,755.39	252,548,879.34
Total Assets	$ 924,098,976.80	$ 817,969,612.77
Liabilities, Reserves and Fund Balance		
Interfunds Payable		
Due to Current Fund	$ 152,661.14	$ 113,856.92
Due to Federal and State Grants Fund	-	953,077.08
Reserve for Youth Consultation Services	130,934.65	130,934.65
General Serial and Term Bonds Payable	355,681,000.00	377,248,000.00
Bergen Ave Refunding Bonds	5,936,875.00	6,886,250.00
Capital Improvement Fund	2,721,812.17	3,525,464.17
Retained Percentages Due Contractors	478,344.30	651,397.77
Contracts Payable	96,714,358.51	77,221,881.84
Reserve for Payment of Debt	18,477,882.87	13,248,129.43
Reserve for State Road Aid Allotments	2,142,499.87	2,142,499.87
Green Acres Loans Payable	995,540.87	1,221,078.01
Bond Anticipation Notes Payable	210,954,561.00	140,605,157.00
Reserve for Dedicated Reserves	6,549,552.63	5,005,349.42
Reserve for Preliminary Expense	439,815.85	534,334.25
Improvement Authorizations:		
Funded	83,317,528.74	81,120,851.12
Unfunded	138,526,835.26	105,622,577.21
Fund Balance	878,773.94	1,738,774.03
Total Liabilities, Reserves, and Fund Balance	$ 924,098,976.80	$ 817,969,612.77
Bonds and Notes Authorized But Not Issued	$ 105,912,194.39	$ 111,943,722.34

See Accompanying Notes to the Financial Statements.

COUNTY OF HUDSON **EXHIBIT C-1**
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS

	2025	2024
Increased by:		
Legal Settlements	$ -	$ 860,000.00
Improvement Authorization Cancelled	-	0.01
	-	860,000.01
Decreased by:		
Legal Settlements	860,000.00	-
Adjustment	0.09	0.10
	860,000.09	0.10
Net Change in Fund Balance	(860,000.09)	859,999.91
Balance, Beginning of Year	1,738,774.03	878,774.12
Balance, End of Year	$ 878,773.94	$ 1,738,774.03

See Accompanying Notes to the Financial Statements.

COUNTY OF HUDSON **EXHIBIT D**
AFFORDABLE HOUSING UTILITY FUND
AS OF DECEMBER 31, 2025 AND 2024

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	2025	2024
Assets		
Operating Fund:		
Cash and Cash Equivalents	$ 408,994.37	$ 404,788.19
Interfund Receivable	666.50	503.24
	409,660.87	405,291.43
Capital Fund:		
Cash and Cash Equivalents:	204,149.34	203,986.08
Total Assets	$ 613,810.21	$ 609,277.51
Liabilities, Reserves and Fund Balance		
Operating Fund:		
Reserve for Receivables	$ 666.50	$ 503.24
Fund Balance	408,994.37	404,788.19
	409,660.87	405,291.43
Capital Fund:		
Interfund Payable	666.50	503.24
Improvement Authorizations - Funded	203,482.84	203,482.84
	204,149.34	203,986.08
Total Liabilities, Reserves and Fund Balance	$ 613,810.21	$ 609,277.51

See Accompanying Notes to Financial Statements.

COUNTY OF HUDSON **EXHIBIT D-1**
AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	2025	2024
Revenue and Other Income Realized		
Fund Balance Utilized	$ 250.00	$ 250.00
Other Credits to Income:		
Non-Budget Revenues	4,369.44	6,635.50
Prior Year Interfunds Returned	503.24	340.13
	5,122.68	7,225.63
Expenditures		
Current Year Interfunds Advanced	666.50	503.24
Statutory Excess to Fund Balance	4,456.18	6,722.39
Fund Balance, January 1	404,788.19	398,315.80
	409,244.37	405,038.19
Decreased by:		
Utilized as Anticipated Revenue	250.00	250.00
Fund Balance, December 31	$ 408,994.37	$ 404,788.19

See Accompanying Notes to Financial Statements.

COUNTY OF HUDSON **EXHIBIT D-2**
AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT OF REVENUES - REGULATORY BASIS

	Adopted Budget	Realized	Excess (Deficit)
Operating Surplus Anticipated	$ 250.00	$ -	$ (250.00)
Budget Totals	250.00	-	(250.00)
Non-Budget Revenues			
Interest on Deposits	-	4,369.44	4,369.44
	$ 250.00	$ 4,369.44	$ 4,119.44

Ref.		
Capital Interest		$ 163.26
Operating Interest		4,206.18
		$ 4,369.44

See Accompanying Notes to Financial Statements.

COUNTY OF HUDSON **EXHIBIT D-3**
AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended		
	Budget	Modified Budget	Paid or Charged	Reserved	Cancelled
Operations:					
Other Expenses	$ 250.00	$ 250.00	$ -	$ -	$ 250.00
	$ 250.00	$ 250.00	$ -	$ -	$ 250.00

Budget as Adopted	$ 250.00
Appropriations Canceled	250.00
	$ -

See Accompanying Notes to Financial Statements.

COUNTY OF HUDSON **EXHIBIT E**
GENERAL FIXED ASSETS
AS OF DECEMBER 31, 2025 AND 2024

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

	2025	2024
Assets		
Land, Easements and Right of Way	$ 103,390,756.49	$ 103,390,756.49
Land Improvements	5,650,124.00	4,900,162.39
Construction / Buildings	334,731,597.54	334,779,789.06
Machinery and Equipment	133,710,826.96	128,410,595.64
Licensed Vehicles	37,363,808.62	36,836,105.14
Total Assets	$ 614,847,113.61	$ 608,317,408.72
Investment in Fixed Assets		
Investment in General Fixed Assets	$ 614,847,113.61	$ 608,317,408.72

See Accompanying Notes to the Financial Statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The County of Hudson, New Jersey (the "County") functions independently through a county executive plan form of government pursuant to New Jersey Statutes Annotated (N.J.S.A.) Title 40, Chapter 41A. The governing body consists of a county executive, elected to a four-year term, and a board of nine commissioners, who are elected to concurrent three-year terms. The purpose of the County is to provide general county services and conduct general county affairs, as provided for by the County's various departments, offices, agencies and programs. The County also has certain oversight responsibilities towards local governments that are located within the County's geographical boundaries, including its twelve municipalities.

The financial statements of the County include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the County, as required by N.J.S.A. 40A:5-5. Governmental Accounting Standards Board ("GASB") establishes criteria to be used to determine which component units should be included in the financial statements of the primary government (the County). Inasmuch, its administrative operations activity of the Department of Family Services, Division of Welfare is a Department of the County, as well as those of other County Departments, are blended with that of the County. The State of New Jersey, Department of Community Affairs, Division of Local Government Services, (the "Division") requires the financial statements of the County to be reported separately from its component units. If the provisions of GASB had been complied with, the following component units would have been discretely presented with the financial statements of the County:

Hudson County Community College	Hudson County Schools of Technology
Hudson County Improvement Authority	Hudson County Workforce Development Board

Audit reports of the component units are available at the offices of each of the respective component units.

BASIS OF PRESENTATION

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund categories to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the County have been prepared in conformity with accounting principles and practices prescribed by the Division, which differ from GAAP. Such principles and practices prescribed by the Division are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the County accounts for its financial transactions through the following separate funds and account group, which differ from the fund structure required by GAAP.

Current Fund – This is the general fund of the County and is used to record income and expenditures of a general operating nature.

Federal and State Grant Fund – This fund is used to account for activity of the majority of the grants received by the County, including grant receivables and their related receipts and expenditures against related grant reserves. Grants recorded here must also be included in the County operating budget.

Trust Funds – This fund is used to account for receipts, custodianship and disbursement of dedicated revenues in accordance with the purpose for which each reserve was created, subject to available cash in each individual trust fund reserve established pursuant to N.J.S.A. 40A:4-39 and other applicable state statutes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General Capital Fund – This fund is used to account for the receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund or other funds. Also included in this fund are bonds and notes payable offset by deferred charges to future taxation.

Affordable Housing Utility Operating and Capital Fund – This fund is used to account for the operations and acquisition of capital facilities of the County-owned Affordable Housing Utility. The Operating Utility records revenues and expenditures applicable to the general operation of the program to create additional affordable housing in the County. The Capital Utility is used to account for financial resources used to provide loans to create affordable housing within the County.

General Fixed Assets – This is not a separate fund type, but an "account group" used to account for all fixed assets of the County.

The accounts of the County are maintained in accordance with the Division's principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The Division's principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The General Fixed Assets account group, on the other hand, is a financial reporting device designed to provide accountability for certain fixed assets and the investment in those fixed assets that are not recorded in the funds because they do not directly affect net expendable available financial resources.

BASIS OF ACCOUNTING

The County prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The current financial resource focus and modified accrual basis of accounting is generally followed with significant exceptions which are explained as follows:

Revenues – Revenues are realized when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal revenue sharing funds and other Federal and State grants are realized as revenue when anticipated in the budget. Receivables for property taxes assessed to the municipalities within the County, as well as any amounts added or omitted and other amounts due to the County, are recorded with offsetting reserves on the balance sheet of the Current Fund. Such amounts are not recorded as revenue until collected. Accordingly, no provision has been made to estimate that portion of receivables that are uncollectible. GAAP requires revenues to be recognized in the accounting period when they become measurable and available and in certain instances reduced by an allowance for doubtful accounts.

Expenditures – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Appropriation reserves covering unexpended appropriation balances are automatically created at the end of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriations for principal and interest payments on general capital and utility indebtedness are provided on the cash basis. GAAP requires expenditures in the current (or general) fund to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt, which should be recognized when due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING (continued)

Encumbrances – Encumbrances are contractual orders outstanding at year end reported as expenditures through the establishment of an encumbrance payable. Outstanding encumbrances at year end are reported as a cash liability in the financial statements. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves – Appropriation Reserves are available until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Transfers are allowed between certain line items during the first three months of the fiscal year. Lapsed appropriation reserves are recorded as other credits to income. Appropriation Reserves do not exist under GAAP.

Interfunds – Advances from the Current Fund are reported as interfunds receivable with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfunds receivable in other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies – The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Deferred Charges to Future Taxation, Funded and Unfunded - Upon the authorization of capital projects, the County establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. Annually, the County raises the debt requirements for that particular year in the Current Fund budget. As the funds are raised by taxation, the deferred charges are reduced. GAAP does not require the establishment of deferred charges to future taxation.

Improvement Authorizations – Improvement Authorizations in the general capital fund represent the unexpended balance of an ordinance appropriation and is similar to the unexpended portion of the budget in the current fund. GAAP does not recognize these amounts as liabilities.

Compensated Absences and Post-Employment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources to be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long-term obligations.

Long-Term Obligations - General long-term debt is recognized as a liability of the General Capital Fund for the full amount. The County's utility long-term debt is recognized as a liability of the Affordable Housing Utility Capital Fund for the full amount.

Net Pension and Net OPEB Liabilities - Had generally accepted accounting principles been followed, the City's share of its actuarially determined net pension liabilities for the Public Employees Retirement System ("PERS"), Police and Fire Retirement System ("PFRS") and other post-employment benefit plans would be required to be accrued on the City's balance sheet. Accounting practices prescribed by the Division of Local Government Services only require note disclosure of these liabilities and related actuarial information. The County appropriates annually the amounts required to be paid in any fiscal year in that year's budget its share of PERS and PFRS obligations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases - Under GASB Statement No. 87, lease commitments, including those with bargain purchase options, are required to be recorded as lease liabilities at the present value of future lease payments, offset with a tangible asset or right-of-use asset as applicable. Commitments for the purchase and ownership of capital assets are recorded as financed purchases reflected in the amount of the liability and corresponding asset. In accordance with accounting practices prescribed by the Division, leases for operating expenditures are not shown as liabilities and accordingly no corresponding asset is recorded. Leases for non-operating expenditures for the acquisition of assets with useful lives exceeding five years may be recorded at historical cost as capital leases or installment purchase agreements payable with offsetting deferred charges if there is either a transfer of ownership of property or an option for ownership.

General Fixed Assets - Accounting for Governmental Fixed Assets as promulgated by the Division differs in certain respects from GAAP, and requires the inclusion of a statement of general fixed assets as part of the County's basic financial statements. Fixed assets used in governmental operations (general fixed assets) are accounted for in an account group identified as "General Fixed Assets" and are not included within the records of any fund types. Purchases from these funds for fixed assets are recorded as expenditures within the fund. With minor exception, public domain ("infrastructure") general fixed assets consisting of certain improvements other than improvements to buildings, such as improvements to roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. All fixed assets, except land, are valued at historical cost or estimated historical cost if actual historical cost is not available. Expenditures for construction in progress are recorded in the Capital Fund against authorizations under which the project was approved until such time as the construction is completed and put into operations.

The County is required to maintain a subsidiary ledger of detailed records of fixed assets and to provide property management standards to control fixed assets. The Division sets a maximum policy for defining general fixed assets as non-expendable personal property having a physical existence, a useful life of more than five years and an acquisition cost of $5,000 or more per unit.

No depreciation has been provided for in the financial statements. Fixed assets acquired through federal grants in aid or contributed capital have been accounted for separately.

Accounting for utility fund property and equipment purchased by the Affordable Housing Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The utility does not record depreciation on fixed assets.

GAAP requires the recording of infrastructure assets and requires capital assets be depreciated over their estimated useful life unless they are either inexhaustible or are infrastructure assets reported using the modified approach.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect: the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Investments - New Jersey governmental units are required to deposit public funds in a public depository. Public depositories are defined by statutes as any State or federally chartered bank, savings bank or an association located in New Jersey or a state or federally chartered bank, savings bank or an association located in another state with a branch office in New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation (FDIC) and which receives or holds public funds on deposit. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County is also required to annually adopt a cash management plan and to deposit or invest its funds pursuant to the cash management plan. The cash management plan adopted by the County requires it to deposit funds as permitted in N.J.S.A 40:5-15.1, so long as the funds are deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey and requires all public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

In 2009, legislation revised GUDPA to provide higher levels of security and oversight. Among the increased protections and oversight, the revised GUDPA ensures a common level of deposit risk by each bank choosing to accept local government deposits, requires banks to fully collateralize deposits over $200 million, implements enforcement protocol which allows the Department of Banking and Insurance to institute risk-based collateral requirements promptly when a bank shows signs of stress, provides enhanced oversight by the Department of banking and insurance and permits GUDPA certificates to be provided through an online system.

Cash Equivalents include certificate of deposits with a maturity date of less than three (3) months.

Also see Note 2 - Cash and Cash Equivalents.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the County and approved by the Division in accordance with the Local Budget Law. Budgets are adopted on the same basis of accounting utilized for the preparation of the County's financial statements. The budgetary requirements herein outlined are applicable to only the Current and Affordable Housing Utility Operating Funds, and not the Trust, Capital Fund, Affordable Housing Utility Capital Fund or the General Fixed Assets account group. However, statutes require the County to adopt annually a six-year capital plan. This plan allows the governing body to expend or incur obligations for capital purposes only. Such projects under the plan must be adopted through capital ordinance.

The County must adhere to procedures for adoption of its annual budget as established by the Division. These procedures include statutory deadlines of: January 26 for introduction and approval and February 28 for adoption. These dates are subject to extension by the Division by approval of the Local Finance Board. Appropriations within the adopted budget cannot be modified until the final two months of the year at which time transfers between certain line items are allowed. Under certain circumstances emergency authorizations and insertions of items of revenue and appropriation are allowed by authorization of the governing body, subject to approval of the Division.

The County must prepare its budgets in compliance with applicable laws capping the amounts by which the County may increase its appropriations or its tax levy to be apportioned among its constituent municipalities. A description of both "CAPS" follows:

1977 2.5% Appropriation and Levy "CAP": This Cap, calculated using the formulas and provisions primarily of of N.J.S.A. 40A:4-45.2 and 45.4, was originally adopted into law in 1976 and was most recently amended in 2003. Under this law, the County is permitted to increase its overall appropriations (with certain exceptions as defined within the law) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the traditional federal government inflation calculation. The County can, when the COLA is less than or equal to 2.5%, increase its County tax levy to one percentage point greater than the COLA, up to a maximum of 3.5%, upon passage of a resolution.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A 40A:4-45.44 through 45.47. It establishes limits on the increase in the total County amount to be raised by taxation (tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation, net of any applicable cap base adjustments and emergency or special emergency appropriations.

Sale of Municipal Assets - The proceeds of the sale of County assets can be held until made available through a future budget appropriation. GAAP requires such proceeds to be recorded as revenue in the year of sale.

Reserves (Other than Reserve for Receivables) - Reserves, other than reserve for receivables are considered as liabilities, and not as a reservation of fund balance.

Reserve for Receivables and Other Assets – Receivables of the County, with the exception of certain intergovernmental receivables, are offset on the balance sheet with a credit that is created to preserve the revenue recognition basis required by the Division's accounting principles. The reserve delays the recognition of these revenues until they are received in cash.

Advertising Costs - Advertising costs are charged against the appropriate budget line as they occur. The County does not engage in direct-response advertising.

Fund Balance - Fund equity represented on the financial statements consists solely of Fund Balance, which is not further categorized with respect to reservations (portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use) or designations (plans for future use of financial resources)

BASIC FINANCIAL STATEMENTS

The GASB Codification also requires the financial statements of a governmental unit presented in the general purpose financial statements to be in accordance with GAAP. The County presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the County's financial position and operations. Comparative data is not presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Reclassifications – Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. These reclassifications had no effect on fund balance and changes in fund balance.

Reconciliation of Accounting Basis – As described throughout Note 1, substantial differences exist between GAAP and the basis prescribed by the Division. Reconciliation between the two would not be meaningful or informative and therefore is not provided herein.

NOTE 2. CASH AND CASH EQUIVALENTS

DEPOSITS

All cash and cash equivalents on deposit are partially insured by the FDIC up to $250,000 for each depository. Deposits in excess of FDIC limits, as noted below, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by GUDPA (see Note 1 - Cash and Investments) or are on deposit with the New Jersey Asset and Rebate Management Program (NJARM) and New Jersey Educational Facilities Authority (NJEFA).

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

a. Uncollateralized.
b. Collateralized with securities held by the pledging financial institution.
c. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

At December 31, 2025 and 2024, the County's deposits are summarized as follows, deposits are allocated among 7 financial institutions:

	2025	2024
Insured - FDIC	$ 1,500,000.00	$ 1,500,000.00
Insured - GUDPA	472,023,855.41	458,017,929.99
NJ Asset and Rebate Management Program	624,113.66	598,666.84
	$ 474,147,969.07	$ 460,116,596.83

Under GUDPA, financial institutions are not required to pledge collateral for amounts covered by FDIC insurance.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect deposits. None of the County's deposits as of December 31, 2025 and 2024 are held in foreign currency.

INVESTMENTS

New Jersey statutes permit the County to purchase the following types of securities when authorized by the cash management plan (described in Note 1):

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
- Government money market mutual funds.
- Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located.
- Bonds or other obligations having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services for investment by local units.
- Local government investment pools.
- Deposits with the State of New Jersey Cash Management Fund.
- Agreements for the repurchase of fully collateralized securities if (a) the underlying securities are permitted investments pursuant to the first and third bullets of this section, (b) the custody of collateral is transferred to a third party, (c) the maturity of the agreement is not more than 30 days, (d) the underlying securities are purchased through a public depository and (e) a master repurchase agreement providing for the custody and security of collateral is executed.

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

Custodial Credit Risk - In the case of investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the County's name and are held by either the counterparty or its trust department or agent, but not in the County's name.

Foreign Currency Risk - Investments are also exposed to the same foreign currency risk as deposits. It is the risk that changes in exchange rates will adversely affect investments. The County does not have any investments denominated in foreign currency as of December 31, 2025 and 2024.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County does not have an investment policy regarding the management of credit risk.

Concentration of Credit Risk - The County places no formal limit on the amount it may invest in any one issuer. New Jersey Statutes limit municipal investments to those specified and summarily identified in the first paragraph of the "Investments" section of this note. Currently, the County's only investments consist of deposits in the MBIA Government Investment Pool, the NJARM Program and the NJEFA Fund, all of which are classified as Government Investment Pools.

		Investment Maturities (in Years)			
Investment Type	Fair Value*	< 1	1 - 5	6 - 10	> 10
2025 Government Investment Pools	$ 624,113.66	$ 624,113.66	$ -	$ -	$ -
2024 Government Investment Pools	$ 598,666.84	$ 598,666.84	$ -	$ -	$ -

*Short-term investments are carried at cost, which approximates fair value.

The New Jersey Asset and Rebate Management Program ("NJARM") – This is a financial organization created exclusively for New Jersey local governments. The Program was designed to help achieve excellence in the governmental unit's investment program. Created as a joint investment trust under the Interlocal Services Act, NJARM provides participants with investment and arbitrage compliance services for both bond proceeds and general operating funds. As of December 31, 2025 and 2024, the County had balances $624,113.66 and $598,666.84, respectively, in the NJARM Program government investment pool.

NOTE 3. PROPERTY TAXES RECEIVABLE AND PROPERTY TAX CALENDAR

Property taxes are collected and remitted quarterly to the County by the County's twelve municipalities. Each municipality is responsible for enforcing collection from individual taxpayers, and is required to remit to the County the full amount of the County portion of the municipality's total tax levy. The County portion includes County purpose taxes and County Open space taxes. Property taxes receivable for County purpose taxes are recorded in the Current Fund, while County Open Space Taxes are recorded in the Trust Fund, as each municipality's semiannual tax levy billing is approved. In addition, the County's share of taxes for any added and omitted assessments throughout the year for each municipality is recorded by the County as taxes receivable in the Current Fund.

NOTE 3. PROPERTY TAXES RECEIVABLE AND PROPERTY TAX CALENDAR (continued)

Property tax bills are to be mailed by the municipality on or before June 14 and December 1. If the municipality is unable to mail bills by these dates, it has until June 30 and December 31 to mail estimated bills for the respective initial mailing dates. The June 14/30 bill is due from the taxpayer to the municipality in two quarterly installments on August 1 and November 1. The municipality is then required to remit the County taxes to the County on August 15 and November 15. The December 1/31 bill is due from the taxpayer to the municipality in two quarterly installments on February 1 and May 1. The municipality is then required to remit the County taxes to the County on February 15 and May 15. For added/omitted taxes, the municipality is to mail the bill on or before October 25. The due date for the taxpayer to pay the municipality is November 1. The municipality is then required to remit the County taxes on added/omitted assessments by February 15. Taxes were levied for the years ended December 31, 2025 and 2024 as follows:

Year Ended Dec. 31	Total	County-Purpose Tax Levy Raised Suport of Budget	Added and Omitted Tax Levy	County Open Space Tax Levy
2025	$ 472,253,280.06	$ 453,180,876.11	$ 5,504,659.36	$ 13,567,744.59
2024	$ 447,677,031.52	$ 429,180,876.11	$ 6,271,571.70	$ 12,224,583.71

As of December 31, 2025 and 2024, added and omitted taxes receivable were $5,362,257.42 and $6,074,942.38, respectively.

NOTE 4. COUNTY DEBT

SUMMARY OF COUNTY DEBT

The Local Bond Law, N.J.S.A. 40A:2, governs the issuance of bonds to finance general and utility capital expenditures of the County. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the County are backed by the full faith and credit of the County. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years, or be retired by the issuance of bonds.

The County's long-term debt activity for the year ended December 31, 2025, and the amount of principal due by December 31, 2026, is summarized as follows:

	Balance Dec. 31, 2024	New Issues	Retirements	Balance Dec. 31, 2025	Due by Dec. 31, 2026
General Serial Bonds	$ 377,248,000.00	$ 6,655,000.00	$ 28,222,000.00	$ 355,681,000.00	$ 29,115,000.00
Green Acres Loans	1,221,078.01	-	225,537.14	995,540.87	198,923.95
	$ 378,469,078.01	$ 6,655,000.00	$ 28,447,537.14	$ 356,676,540.87	$ 29,313,923.95

The County's long-term debt activity for the year ended December 31, 2024, and the amount of principal due by December 31, 2025, is summarized as follows:

	Balance Dec. 31, 2023	New Issues	Retirements	Balance Dec. 31, 2024	Due by Dec. 31, 2025
General Serial Bonds	$ 397,189,000.00	$ 7,312,000.00	$ 27,253,000.00	$ 377,248,000.00	$ 28,222,000.00
Green Acres Loans	1,442,171.21	-	221,093.20	1,221,078.01	225,537.14
	$ 398,631,171.21	$ 7,312,000.00	$ 27,474,093.20	$ 378,469,078.01	$ 28,447,537.14

NOTE 4. COUNTY DEBT (continued)

At December 31, 2025 and 2024, the County's statutory debt as defined by the Local Bond Law is summarized as follows:

	December 31, 2025			Dec. 31, 2024
Statutory Debt Pursuant to Local Bond Law	Issued	Authorized But Not Issued	Total	Total
General:				
General, School and College Improvement Bonds	$ 355,681,000.00	$ 105,912,194.39	$ 461,593,194.39	$ 489,191,722.34
Bergen Ave Refunding Bonds	5,936,875.00	-	5,936,875.00	6,886,250.00
Green Trust Loans	995,540.87	-	995,540.87	1,221,078.01
Bond Anticipation Notes	210,954,561.00	-	210,954,561.00	140,605,157.00
Total Gross Statutory Debt Issued	573,567,976.87	105,912,194.39	679,480,171.26	637,904,207.35
County Guaranty	774,764,577.41	-	774,764,577.41	740,904,941.83
Gross Statutory Debt	1,348,332,554.28	105,912,194.39	1,454,244,748.67	1,378,809,149.18
Less Statutory Deductions to Debt Limit:				
Debt Guaranteed by County	774,764,577.41	-	774,764,577.41	740,904,941.83
Funds in Hand for Payment of Debt				
Capital Fund: Reserve for Payment of Bonds	18,477,882.87	-	18,477,882.87	13,248,129.43
Trust Fund: Open Space Trust Fund	3,566,000.00	-	3,566,000.00	3,826,000.00
NJSA 18A:64A-22.1 to 22.8 - County Colleges	45,665,000.00	3,317,031.00	48,982,031.00	49,134,904.00
	842,473,460.28	3,317,031.00	845,790,491.28	807,113,975.26
Net Statutory Debt	$ 505,859,094.00	$ 102,595,163.39	$ 608,454,257.39	$ 571,695,173.92

Debt Refunding

During the years ended December 31, 2025 and 2024, the County renewed Bond Anticipation Notes in the amounts of $140,605,157 and $0, respectively.

School Bond Reserve Act

Certain bonds of the County issued as Vocational School Bonds are additionally secured and are entitled to the benefits of the New Jersey School Bond Reserve Act, chapter 72 of the Laws of New Jersey of 1980. If the County is unable to make payment of principal of or interest on any of its bonds issued for school purposes, the trustees of the Fund for the Support of Free Public School of the State of New Jersey will purchase such bonds at par value and will pay to the bondholders the interest due or to become due within the limits of funds available in the reserve account in accordance with the provisions of the School Bond Reserve Act. Any such payment of interest or purchase price of school bonds paid on behalf of the County pursuant to this Act shall be deducted from the appropriation for apportionment of State Aid. Included in the County's "General Serial and Term Bonds Payable" as of December 31, 2025 and 2024 are Vocational School Bonds additionally secured under the School Bond Reserve Act of $48,365,000 and $51,000,000, respectively.

County College Bond Act

The County has issued County Community College Bonds which qualify under the County College Bond Act, chapter 12 of the Laws of New Jersey of 1971, as amended. In accordance with this act, the County has received notification from the State Treasurer that the State will provide support for a proportionate share of the principal and interest when due. Such support will be made to the County, upon the County's certification of amounts due, on or before the dates when such bonds are payable by the County. During the years ended December 31, 2025 and 2024, the County recognized $2,974,480.25, and $2,875,135.97, respectively, as 'State Aid – County College Bond' revenues pursuant to this act. Hudson County Community College Bonds issued and authorized but not issued totaled $88,299,062 and $86,712,808 as of December 31, 2025 and 2024, respectively. Of these amounts, $26,149,531 and $25,356,404, respectively as of December 31, 2025 and 2024, are additionally secured pursuant to the County College Bond Act.

NOTE 4. COUNTY DEBT (continued)

BONDS PAYABLE

General Serial and Term Bonds Payable

The County has outstanding at December 31, 2025 and 2024 various general serial and term bonds, including General Improvement and Refunding bonds, Vocational School Bonds and Community College Bonds. The following table summarizes the 2025 activity of the County's General, Vocational and Community College Bonds, as well as the short-term principal liability of each.

Summary of General Serial and Term Bonds Activity

Description	Balance Dec. 31, 2024	Increase	Decrease	Balance Dec. 31, 2025	Due by Dec. 31, 2026
Recovery Zone Economic Development Bonds issued December 22, 2010 for $20,700,000 maturing annually through 2030 bearing interest rates of 1.704% to 6.928%	$ 8,400,000.00	$ -	$ 1,400,000.00	$ 7,000,000.00	$ 1,400,000.00
General Improvement Bonds issued June 19, 2012 for $10,925,000 maturing annually through 2032 bearing interest rates of 2.00% to 3.75%	5,040,000.00	-	630,000.00	4,410,000.00	630,000.00
General Obligation Bonds, Series 2014 issued Nov. 25, 2014 for $74,000,000 to Finance Multiple Ordinances maturing Dec. 1 annually from 2015 through 2031 bearing interest rates of 2% to 5%	34,225,000.00	-	4,455,000.00	29,770,000.00	4,585,000.00
Energy Savings Obligation Refunding Bonds issued December 13, 2018 for $24,520,000 to Finance Ordinance No. 527-9-2018 maturing annually through 2040 bearing interest rates of 4.0% - 5.0%	20,990,000.00	-	895,000.00	20,095,000.00	690,000.00
General Improvement Bond, Series 2020 issued Nov. 18, 2020 for $223,086,000 maturing annually through 2041 bearing an interest rate of 2.0% to 3.0%	192,630,000.00	-	8,000,000.00	184,630,000.00	8,270,000.00
Open Space Bonds issued July 13, 2011 for $6,446,000 maturing annually through 2036 bearing interest rates of 3.00% to 4.625%	3,826,000.00	-	260,000.00	3,566,000.00	270,000.00
County College Bonds issued June 25, 2013 for $8,710,000 maturing annually through 2033 bearing interest rates of 3.0% - 4.75%	4,500,000.00	-	500,000.00	4,000,000.00	500,000.00
General Improvement Bonds issued June 18, 2015 for $5,700,000 to Finance Ordinance No. 529-09-2014 maturing annually on June 1 through 2035 bearing interest rates of 2.00% to 5%	3,480,000.00	-	270,000.00	3,210,000.00	280,000.00

NOTE 4. COUNTY DEBT (continued)

Summary of General Serial and Term Bonds Activity - continued

Description	Balance Dec. 31, 2024	Increase	Decrease	Balance Dec. 31, 2025	Due by Dec. 31, 2026
County Community College Bonds issued June 19, 2012 for $8,500,000 maturing annually through 2027 bearing interest rates of 2.00% to 3.50%	$ 2,100,000.00	$ -	$ 700,000.00	$ 1,400,000.00	$ 700,000.00
County College Bonds issued June 25, 2013 for $1,500,000 maturing annually through 2028 bearing interest rates of 3.0% to 4.5%	500,000.00	-	120,000.00	380,000.00	120,000.00
County College Bonds, Series 2014 issued June 11, 2014 for $4,250,000 to Finance Ordiance No. 374-06-2013 maturing March 15 annually from 2015 through 2029 bearing interest rates of 2% to 3.25%	1,760,000.00	-	340,000.00	1,420,000.00	340,000.00
County College Bonds, Series 2015 Bond Act, P.L. 1971 c. 12) issued June 11, 2014 for $3,200,000 to Finance Ordinance No. 528-09-2014 maturing annually on June 1 through 2030 bearing interest rates of 2% to 5%	1,410,000.00	-	220,000.00	1,190,000.00	225,000.00
County College Bonds, Series 2016B (C. 12 Bonds) issued June 14, 2016 for $3,000,000 to fund Ord. No. 648-11-2015 maturing July 1 annually from 2017 through 2031 bearing interest rates of 2.0% to 5%	1,565,000.00	-	205,000.00	1,360,000.00	210,000.00
County College Bonds, Series 2017B (C.12 Bonds) issued June 20, 2017 for $3,100,000 to fund Ord. No. 489-08-2016 maturing July 1 annually from 2018 through 2032 bearing interest rates of 2.0% to 5.0%	1,805,000.00	-	205,000.00	1,600,000.00	210,000.00
County College Refunding Bonds, Series 2017 (C. 12 Bonds) (callable) issued November 30, 2017 for $17,025,000 to refund bonds dated January 28, 2010 maturing February 15 annually from 2018 through 2030 bearing interest rates of 2.0% to 4.0%	10,125,000.00	-	1,700,000.00	8,425,000.00	1,695,000.00
County College Bonds, Series 2018 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 19, 2018 for $3,400,000 to Finance Ordinance No. 533-8-2017 maturing annually through 2032 bearing interest rates of 3.0% - 5.0%	2,090,000.00	-	240,000.00	1,850,000.00	245,000.00
County College Bonds, Series 2019 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 11, 2019 for $6,700,000 to Finance Ordinance No. 528-9-2018 maturing annually through 2039 bearing interest rates of 3.0% - 5.0%	5,500,000.00	-	285,000.00	5,215,000.00	300,000.00

NOTE 4. COUNTY DEBT (continued)

Summary of General Serial and Term Bonds Activity - continued

Description	Balance Dec. 31, 2024	Increase	Decrease	Balance Dec. 31, 2025	Due by Dec. 31, 2026
County College Bonds, Series 2021 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 29, 2021 for $8,840,000 to Finance Ordinance No. 518-8-2019 & 759-12-2020 maturing July 1 annually from 2022 through 2041 bearing interest rates of 2.0% - 4.0%	$ 7,750,000.00	$ -	$ 380,000.00	$ 7,370,000.00	$ 385,000.00
County College Bonds, Series 2022 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 30, 2022 for $5,349,000 to Finance Ordinance No. 217-4-2021 maturing July 1 annually from 2023 through 2037 bearing interest rates of 4.0% - 5.0%	4,780,000.00	-	300,000.00	4,480,000.00	310,000.00
County College Bonds, Series 2023 (County College Bond Act, 1971 N.J. Laws c. 12) issued July 6, 2023 for $4,028,000 to Finance Ordinance No. 531-9-2022 maturing July 1 annually from 2024 through 2040 bearing interest rates of 3.125% - 5.0%	3,860,000.00	-	175,000.00	3,685,000.00	185,000.00
County College Bonds, Series 2024 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 27, 2024 for $4,312,000 to Finance Ordinance No. 590-9-2023 maturing July 1 annually from 2025 through 2041 bearing interest rates of 3.0% - 4.0%	4,312,000.00	-	177,000.00	4,135,000.00	190,000.00
County College Bonds, Series 2024 issued June 26, 2025 for $3,155,000 to Finance Ordinance No. 557-9-2024 maturing annually through 2045 bearing interest rates of 4.0% to 4.8%	-	3,155,000.00	-	3,155,000.00	110,000.00
County Vocational-Technical Schools Bonds, Series 2014 issued June 11, 2014 for $15,650,000 to Finance Ordinance No. 261-05-2013 maturing March 15 annually from 2015 through 2027 bearing interest rates of 2% to 3%	4,395,000.00	-	1,460,000.00	2,935,000.00	1,460,000.00
County Vocational-Technical Schools Refunding Bonds, Series 2014 issued Nov. 6, 2014 for $21,225,000 to refund Series 2006 County Vo-Tech Bonds maturing Sept. 1 annually from 2015 through 2028 bearing interest rates of 1.5% to 5%	8,295,000.00	-	1,945,000.00	6,350,000.00	2,050,000.00
County Vocational-Technical Bonds,Series 2016A issued June 14, 2016 for $10,100,000 to fund Ord. No. 271-5-2014 maturing July 1 annually from 2017 through 2032 bearing interest rates of 2.0% to 5%	5,600,000.00	-	630,000.00	4,970,000.00	650,000.00
County Vocational-Technical Bonds,Series 2017A issued June 20, 2017 for $8,000,000 to fund Ord. No. 490-08-2016 maturing July 1 annually from 2018 through 2030 bearing interest rates of 2.0% to 5.0%	4,085,000.00	-	635,000.00	3,450,000.00	650,000.00

NOTE 4. COUNTY DEBT (continued)

Summary of General Serial and Term Bonds Activity - continued

Description	Balance Dec. 31, 2024	Increase	Decrease	Balance Dec. 31, 2025	Due by Dec. 31, 2026
County Vocational-Technical Bonds, Series 2018 issued June 19, 2018 for $8,000,000 to fund Ord. No. 534-08-2017 maturing July 1 annually from 2019 through 2031 bearing interest rates of 3.0% to 5.0%	$ 4,795,000.00	$ -	$ 610,000.00	$ 4,185,000.00	$ 635,000.00
County Vocational-Technical Bonds, Series 2019 issued June 11, 2019 for $8,000,000 to fund Ord. No. 529-9-2018 maturing July 1 annually from 2020 through 2035 bearing interest rates of 3.0% to 5.0%	5,975,000.00	-	450,000.00	5,525,000.00	465,000.00
County Vocational-Technical Bonds, Series 2020 issued July 1, 2019 for $15,000,000 to fund Ord. No. 268-5-2015 & 356-6-2019 maturing July 1 annually from 2020 through 2040 bearing interest rates of 2.0% to 5.0%	13,150,000.00	-	500,000.00	12,650,000.00	650,000.00
Vo-Tech Bonds, Series 2021 (New Jersey School Bond Reseve Act, P.L. 1980 c.72) issued June 29, 2021 for $2,000,000 to fund Ord. No. 453-7-2020 maturing July 1 annually from 2022 through 2041 bearing interest rates of 2.0% to 4.0%	1,755,000.00	-	85,000.00	1,670,000.00	90,000.00
County Vocational-Technical Bonds, Series 2022 issued July 30, 2022 for $3,000,000 to fund Ord. No. 246-4-2021 maturing July 1 annually from 2023 through 2037 bearing interest rates of 4.0% to 5.0%	2,675,000.00	-	170,000.00	2,505,000.00	170,000.00
County Vocational-Technical Bonds, Series 2023 issued July 6, 2023 for $3,000,000 to fund Ord. No. 530-9-2022 maturing July 1 annually from 2024 through 2040 bearing interest rates of 3.125% to 5.0%	2,875,000.00	-	130,000.00	2,745,000.00	135,000.00
County Vocational-Technical Bonds, Series 2024 issued June 27, 2024 for $3,000,000 to fund Ord. No. 401-6-2023 maturing July 1 annually from 2025 through 2039 bearing interest rates of 3.0% to 4.0%	3,000,000.00	-	150,000.00	2,850,000.00	155,000.00
County Vocational-Technical Bonds, Series 2025 issued June 26, 2025 for $3,500,000 to fund Ord. No. 451-7-2024 maturing July 1 annually from 2026 through 2038 bearing interest rate of 4.0%	-	3,500,000.00	-	3,500,000.00	155,000.00
	$ 377,248,000.00	$ 6,655,000.00	$ 28,222,000.00	$ 355,681,000.00	$ 29,115,000.00

NOTE 4. COUNTY DEBT (continued)

The following table summarizes the 2024 activity of the County's General, Vocational and Community College Bonds, as well as the short-term principal liability of each.

Summary of General Serial and Term Bonds Activity

Description	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024	Due by Dec. 31, 2025
Recovery Zone Economic Development Bonds issued December 22, 2010 for $20,700,000 maturing annually through 2030 bearing interest rates of 1.704% to 6.928%	$ 9,800,000.00	$ -	$ 1,400,000.00	$ 8,400,000.00	$ 1,400,000.00
General Improvement Bonds issued June 19, 2012 for $10,925,000 maturing annually through 2032 bearing interest rates of 2.00% to 3.75%	5,670,000.00	-	630,000.00	5,040,000.00	630,000.00
General Obligation Bonds, Series 2014 issued Nov. 25, 2014 for $74,000,000 to Finance Multiple Ordinances maturing Dec. 1 annually from 2015 through 2031 bearing interest rates of 2% to 5%	38,560,000.00	-	4,335,000.00	34,225,000.00	4,455,000.00
Energy Savings Obligation Refunding Bonds issued December 13, 2018 for $24,520,000 to Finance Ordinance No. 527-9-2018 maturing annually through 2040 bearing interest rates of 4.0% - 5.0%	21,810,000.00	-	820,000.00	20,990,000.00	895,000.00
General Improvement Bond, Series 2020 issued Nov. 18, 2020 for $223,086,000 maturing annually through 2041 bearing an interest rate of 2.0% to 3.0%	199,450,000.00	-	6,820,000.00	192,630,000.00	8,000,000.00
Open Space Bonds issued July 13, 2011 for $6,446,000 maturing annually through 2036 bearing interest rates of 3.00% to 4.625%	4,071,000.00	-	245,000.00	3,826,000.00	260,000.00
County College Bonds issued June 25, 2013 for $8,710,000 maturing annually through 2033 bearing interest rates of 3.0% - 4.75%	5,000,000.00	-	500,000.00	4,500,000.00	500,000.00
General Improvement Bonds issued June 18, 2015 for $5,700,000 to Finance Ordinance No. 529-09-2014 maturing annually on June 1 through 2035 bearing interest rates of 2.00% to 5%	3,745,000.00	-	265,000.00	3,480,000.00	270,000.00

NOTE 4. COUNTY DEBT (continued)

Summary of General Serial and Term Bonds Activity - continued

Description	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024	Due by Dec. 31, 2025
County Community College Bonds issued June 19, 2012 for $8,500,000 maturing annually through 2027 bearing interest rates of 2.00% to 3.50%	$ 2,790,000.00	$ -	$ 690,000.00	$ 2,100,000.00	$ 700,000.00
County College Bonds issued June 25, 2013 for $1,500,000 maturing annually through 2028 bearing interest rates of 3.0% to 4.5%	620,000.00	-	120,000.00	500,000.00	120,000.00
County College Bonds, Series 2014 issued June 11, 2014 for $4,250,000 to Finance Ordiance No. 374-06-2013 maturing March 15 annually from 2015 through 2029 bearing interest rates of 2% to 3.25%	2,100,000.00	-	340,000.00	1,760,000.00	340,000.00
County College Bonds, Series 2015 Bond Act, P.L. 1971 c. 12) issued June 11, 2014 for $3,200,000 to Finance Ordinance No. 528-09-2014 maturing annually on June 1 through 2030 bearing interest rates of 2% to 5%	1,625,000.00	-	215,000.00	1,410,000.00	220,000.00
County College Bonds, Series 2016B (C. 12 Bonds) issued June 14, 2016 for $3,000,000 to fund Ord. No. 648-11-2015 maturing July 1 annually from 2017 through 2031 bearing interest rates of 2.0% to 5%	1,765,000.00	-	200,000.00	1,565,000.00	205,000.00
County College Bonds, Series 2017B (C.12 Bonds) issued June 20, 2017 for $3,100,000 to fund Ord. No. 489-08-2016 maturing July 1 annually from 2018 through 2032 bearing interest rates of 2.0% to 5.0%	2,005,000.00	-	200,000.00	1,805,000.00	205,000.00
County College Refunding Bonds, Series 2017 (C. 12 Bonds) (callable) issued November 30, 2017 for $17,025,000 to refund bonds dated January 28, 2010 maturing February 15 annually from 2018 through 2030 bearing interest rates of 2.0% to 4.0%	11,830,000.00	-	1,705,000.00	10,125,000.00	1,700,000.00
County College Bonds, Series 2018 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 19, 2018 for $3,400,000 to Finance Ordinance No. 533-8-2017 maturing annually through 2032 bearing interest rates of 3.0% - 5.0%	2,325,000.00	-	235,000.00	2,090,000.00	240,000.00
County College Bonds, Series 2019 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 11, 2019 for $6,700,000 to Finance Ordinance No. 528-9-2018 maturing annually through 2039 bearing interest rates of 3.0% - 5.0%	5,770,000.00	-	270,000.00	5,500,000.00	285,000.00

NOTE 4. COUNTY DEBT (continued)

Summary of General Serial and Term Bonds Activity - continued

Description	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024	Due by Dec. 31, 2025
County College Bonds, Series 2021 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 29, 2021 for $8,840,000 to Finance Ordinance No. 518-8-2019 & 759-12-2020 maturing July 1 annually from 2022 through 2041 bearing interest rates of 2.0% - 4.0%	$ 8,120,000.00	$ -	$ 370,000.00	$ 7,750,000.00	$ 380,000.00
County College Bonds, Series 2022 (County College Bond Act, 1971 N.J. Laws c. 12) issued June 30, 2022 for $5,349,000 to Finance Ordinance No. 217-4-2021 maturing July 1 annually from 2023 through 2037 bearing interest rates of 4.0% - 5.0%	5,070,000.00	-	290,000.00	4,780,000.00	300,000.00
County College Bonds, Series 2023 (County College Bond Act, 1971 N.J. Laws c. 12) issued July 6, 2023 for $4,028,000 to Finance Ordinance No. 531-9-2022 maturing July 1 annually from 2024 through 2040 bearing interest rates of 3.125% - 5.0%	4,028,000.00	-	168,000.00	3,860,000.00	175,000.00
County College Bonds, Series 2024 (County College Bond Act, 1971 N.J. Laws c. 12) issued Julne 27, 2024 for $4,312,000 to Finance Ordinance No. 590-9-2023 maturing July 1 annually from 2025 through 2041 bearing interest rates of 3.0% - 4.0%	-	4,312,000.00	-	4,312,000.00	177,000.00
County Vo-Tech Schools Bonds issued June 25, 2013 for $8,750,000 maturing annually through 2024 bearing interest rates of 3.0% to 4.0%	1,000,000.00	-	1,000,000.00	-	-
County Vocational-Technical Schools Bonds, Series 2014 issued June 11, 2014 for $15,650,000 to Finance Ordinance No. 261-05-2013 maturing March 15 annually from 2015 through 2027 bearing interest rates of 2% to 3%	5,855,000.00	-	1,460,000.00	4,395,000.00	1,460,000.00
County Vocational-Technical Schools Refunding Bonds, Series 2014 issued Nov. 6, 2014 for $21,225,000 to refund Series 2006 County Vo-Tech Bonds maturing Sept. 1 annually from 2015 through 2028 bearing interest rates of 1.5% to 5%	10,145,000.00	-	1,850,000.00	8,295,000.00	1,945,000.00
County Vocational-Technical Bonds,Series 2016A issued June 14, 2016 for $10,100,000 to fund Ord. No. 271-5-2014 maturing July 1 annually from 2017 through 2032 bearing interest rates of 2.0% to 5%	6,215,000.00	-	615,000.00	5,600,000.00	630,000.00
County Vocational-Technical Bonds,Series 2017A issued June 20, 2017 for $8,000,000 to fund Ord. No. 490-08-2016 maturing July 1 annually from 2018 through 2030 bearing interest rates of 2.0% to 5.0%	4,695,000.00	-	610,000.00	4,085,000.00	635,000.00

NOTE 4. COUNTY DEBT (continued)

Summary of General Serial and Term Bonds Activity - continued

Description	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024	Due by Dec. 31, 2025
County Vocational-Technical Bonds, Series 2018 issued June 19, 2018 for $8,000,000 to fund Ord. No. 534-08-2017 maturing July 1 annually from 2019 through 2031 bearing interest rates of 3.0% to 5.0%	$ 5,385,000.00	$ -	$ 590,000.00	$ 4,795,000.00	$ 610,000.00
County Vocational-Technical Bonds, Series 2019 issued June 11, 2019 for $8,000,000 to fund Ord. No. 529-9-2018 maturing July 1 annually from 2020 through 2035 bearing interest rates of 3.0% to 5.0%	6,410,000.00	-	435,000.00	5,975,000.00	450,000.00
County Vocational-Technical Bonds, Series 2020 issued July 1, 2019 for $15,000,000 to fund Ord. No. 268-5-2015 & 356-6-2019 maturing July 1 annually from 2020 through 2040 bearing interest rates of 2.0% to 5.0%	13,650,000.00	-	500,000.00	13,150,000.00	500,000.00
Vo-Tech Bonds, Series 2021 (New Jersey School Bond Reseve Act, P.L. 1980 c.72) issued June 29, 2021 for $2,000,000 to fund Ord. No. 453-7-2020 maturing July 1 annually from 2022 through 2041 bearing interest rates of 2.0% to 4.0%	1,840,000.00	-	85,000.00	1,755,000.00	85,000.00
County Vocational-Technical Bonds, Series 2022 issued July 30, 2022 for $3,000,000 to fund Ord. No. 246-4-2021 maturing July 1 annually from 2023 through 2037 bearing interest rates of 4.0% to 5.0%	2,840,000.00	-	165,000.00	2,675,000.00	170,000.00
County Vocational-Technical Bonds, Series 2023 issued July 6, 2023 for $3,000,000 to fund Ord. No. 530-9-2022 maturing July 1 annually from 2024 through 2040 bearing interest rates of 3.125% to 5.0%	3,000,000.00	-	125,000.00	2,875,000.00	130,000.00
County Vocational-Technical Bonds, Series 2024 issued Julne 27, 2024 for $3,000,000 to fund Ord. No. 401-6-2023 maturing July 1 annually from 2025 through 2039 bearing interest rates of 3.0% to 4.0%	-	3,000,000.00	-	3,000,000.00	150,000.00
	$ 397,189,000.00	$ 7,312,000.00	$ 27,253,000.00	$ 377,248,000.00	$ 28,222,000.00

The following paragraphs further describe the bonds included in the summary of general serial and term bond activity.

County General Obligation Recovery Zone Economic Development Bonds (Federally Taxable) – These bonds were issued to provide funds which will be used by the County to finance the renovation of an existing warehouse building located in Kearny for use by the County as storage space and a Command Center for the County's Office of Emergency Management, storage space and a Command Center for the County Correctional Center and an archive record storage facility for the Hudson County Prosecutor's Office. Funds are also provided herein to pay costs associated with the bonds and capital improvements aforementioned. The County is required to make debt service payments to the HCIA which shall be sufficient to pay the principal of and interest on the bonds when scheduled.

The Bonds were issued as taxable "Recovery Zone Economic Development Bonds" as authorized by the Recovery Act. By designating the Bonds as "Recovery Zone Economic Development Bonds," the County, through the HCIA, will receive cash subsidy payments from the United States Treasury equal to 45 percent of the interest payable on the Bonds on each Interest Payment Date.

NOTE 4. COUNTY DEBT (continued)

The subsidies to be received on the bonds are subject to certain ongoing requirements that must be met subsequent to the issuance and delivery of the bonds in order for the HCIA or County to continue to receive the cash subsidy payments, including requirements relating to the use and expenditure of proceeds of the bonds. Noncompliance may cause the HCIA or County to be ineligible to continue to receive the cash subsidy payments. The Authority and County have each covenanted in its Tax and Arbitrage Certificate to comply with certain applicable provisions of the Code relating to actions to be taken by the Authority and County, respectively, in respect of the bonds after the issuance thereof to the extent necessary to effect and maintain the receipt of the cash subsidy payments.

During the years ended December 31, 2025 and 2024, the County received $388,574.22 and $162,595,59, respectively, pursuant to the cash subsidy provided by the United States Treasury. Due to the events of sequestration, the aggregate (total Federal) reduction in subsidy payments for these bonds was 8.7% of the Federal amount budgeted for such payments. The likelihood of potential future sequestration action is unclear, however, should it occur, additional reductions in future subsidy payments are possible. Issued in 2010 for an original amount of $20,700,000, these bonds had outstanding balances at December 31, 2025 and 2024 of $7,000,000 and $8,400,000, respectively.

The General Obligation Recovery Zone Economic Development Bonds dated December 22, 2010 consist partially of term bonds in addition to serial payments. These term bonds are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the date fixed for redemption. The following table represents the remaining sinking fund schedule for each of the term bond payments required.

Schedule of Mandatory Sinking Fund Payments

	Recovery Zone Economic Development Bonds Maturing	
	(1) Dec. 1, 2026	(2) Dec. 1, 2030
2026	$ 1,400,000.00	$ -
2027	-	1,400,000.00
2028	-	1,400,000.00
2029	-	1,400,000.00
2030	-	1,400,000.00
Due at Maturity	$ 1,400,000.00	$ 5,600,000.00

Open Space Bonds, Series 2011 – These bonds were issued to provide for the permanent financing of various open space, recreation and historic preservation trust fund capital improvements and the acquisition of real property for the expansion of Berry Lane Park for open space, recreation and historic preservation trust fund capital purposes as authorized by Ordinance No. 534-11-2007 adopted November 20, 2007 ($5,276,000 issued herein) and Ordinance No. 485-10-2010 ($1,170,000 issued herein). Issued in 2011 for an original amount of $6,446,000, these bonds had outstanding balances at December 31, 2025 and 2024 of $3,566,000 and $3,826,000, respectively.

NOTE 4. COUNTY DEBT (continued)

General Obligation Bonds, Series 2012 – During the year ended December 31, 2012, the County issued $19,425,000 of general obligation bonds dated June 19, of which the following bonds remain outstanding:

- $10,925,000 General Improvement Bonds, Series 2012, the proceeds of which refund the entire outstanding amount of bond anticipation notes of the County issued August 18, 2011 and maturing August 17, 2012 providing for the acquisition of real property located at 567 Pavonia Avenue, Jersey City and various improvements thereto as authorized by Ordinance No. 331-8-2009 finally adopted August 25, 2009. These bonds had outstanding balances at December 31, 2025 and 2024 of $4,410,000 and $5,040,000, respectively.
- $8,500,000 County College Bonds, Series 2012, the proceeds of which provide for the permanent financing of capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 266-05-2012 finally adopted May 10, 2012. These bonds had outstanding balances at December 31, 2025 and 2024 of $1,400,000 and $2,100,000, respectively.
- Proceeds of both bonds were also used to pay costs of issuance of the bonds.

General Obligation Bonds, Series 2013 – During the year ended December 31, 2013, the County issued $18,960,000 of general obligation bonds dated June 25, 2013, of which the following bonds remain outstanding:

- $8,710,000 County College Bonds, Series 2013, the proceeds of which provide for the permanent financing of capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 407-07-2012 finally adopted July 12, 2012. These bonds had outstanding balances at December 31, 2025 and 2024 of $4,000,000 and $4,500,000, respectively.
- $1,500,000 of Chapter 12 County College Bonds, Series 2013, the proceeds of which provide for the permanent financing of capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 267-05-2012 finally adopted May 10, 2012. These bonds had outstanding balances at December 31, 2025 and 2024 of $380,000 and $500,000, respectively.
- Proceeds of the above bonds were also used to pay costs of issuance of the bonds.

County Vocational-Technical Schools Bonds, Series 2014 – These bonds were issued to provide for the permanent financing of various Hudson County Schools of Technology improvements as authorized by Ordinance No. 261-05-2013 adopted May 7, 2013. Issued in 2014 for an original amount of $15,650,000, these bonds had outstanding balances at December 31, 2025 and 2024 of $2,935,000 and $4,395,000 respectively.

General Obligation Refunding Bonds, Series 2014 – On November 6, 2014 the County issued $55,645,000 of refunding bonds, of which the following bonds remain outstanding:

- $21,225,000 Vocational School Refunding Bonds (NJ School Bond Reserve Act, 1980 NJ Laws C. 72, as amended), Series 2014, the proceeds of which refunded $21,285,000 of the County Vocational/Technical School Bonds, Series 2006 issued in the original amount of $27,925,000. These bonds had outstanding balances at December 31, 2025 and 2024 of $6,350,000 and $8,295,000, respectively.
- Proceeds of the above refunding bonds were also used to pay costs of issuance of the bonds.

NOTE 4. COUNTY DEBT (continued)

General Obligation Bonds, Series 2014 – These bonds were issued to provide for the permanent financing of various Hudson County improvements as authorized by the ordinances noted below.

Ordinance Number	Date of Adoption	Purpose	Bonds Issued
267-06-2006	June 22, 2006	Various 2006 Capital Improvements and the Acquisition and Installation of Various Equpment, Furnishings, Vehicles and Other Capital Items	$ 8,027,000.00
201-05-2007	May 10, 2007	Various 2007 Capital Improvements and the Acquisition and Installation of Various Equpment, Furnishings, Vehicles and Other Capital Items	19,720,000.00
100-03-2008	Mar. 13, 2008	Hudson County Plaza Building Project	5,890,000.00
137-03-2008	Mar. 27, 2008	Career Development Center	6,175,000.00
389-08-2008	Sep. 10, 2008	Various 2008 Capital Improvemetns by and in the County	9,723,000.00
088-02-2010	Feb. 11, 2010	Various 2010 Capital Improvements	10,690,000.00
457-10-2010	Oct. 14, 2010	Various 2010 Capital Improvements and the Acquisition and Installation of Various Equpment, Furnishings, Vehicles and Other Capital Items	13,775,000.00
			$ 74,000,000.00

Issued in 2014 for an original amount of $74,000,000, these bonds had outstanding balances at December 31, 2025 and 2024 of $29,770,000 and $34,225,000, respectively.

County College Bonds, Series 2014 – These bonds were issued to provide for the permanent financing of various Hudson County Community College improvements as authorized by Ordinance No. 374-06-2013 adopted June 27, 2013. Issued in 2014 for an original amount of $4,250,000, these bonds had outstanding balances at December 31, 2025 and 2024 of $1,420,000 and $1,760,000, respectively

General Improvement Bonds, Series 2015 – These bonds were issued to provide for the permanent financing of a Science Center Building by and for the Hudson County Community College as authorized by Ordinance No. 529-09-2014 adopted September 11, 2014. Issued in 2015 for an original amount of $5,700,000, this bond has an outstanding balance at December 31, 2025 and 2024 of $3,210,000 and $3,480,000, respectively.

County College Bonds, Series 2015 – These bonds were issued to provide for the permanent financing of various capital projects by and for the Hudson County Community College as authorized by Ordinance No. 528-09-2014 adopted September 11, 2014. Issued in 2015 for an original amount of $3,200,000, this bond has an outstanding balance at December 31, 2025 and 2024 of $1,190,000 and $1,410,000, respectively.

County Vocational-Technical Schools Bonds, Series 2016A – These bonds were issued to provide for the permanent financing of various Hudson County Schools of Technology improvements as authorized by Ordinance No. 271-05-2014 adopted May 22, 2014. Issued in 2016 for an original amount of $10,100,000, these bonds had outstanding balances at December 31, 2025 and 2024 of $4,970,000 and $5,600,000 respectively.

County College Bonds, Series 2016B – These bonds were issued to provide for the permanent financing of various capital projects by and for the Hudson County Community College as authorized by Ordinance No. 648-11-2015 adopted November 24, 2015. Issued in 2016 for an original amount of $3,000,000, this bond has an outstanding balance at December 31, 2025 and 2024 of $1,360,000 and $1,565,000, respectively.

NOTE 4. COUNTY DEBT (continued)

County Vocational-Technical Schools Bonds, Series 2017A – These bonds were issued to provide for the permanent financing of various Hudson County Schools of Technology improvements as authorized by Ordinance No. 490-08-2016 adopted August 5, 2016. Issued in 2017 for an original amount of $8,000,000, these bonds had outstanding balances at December 31, 2025 and 2024 of $3,450,000 and $4,085,000 respectively.

County College Bonds, Series 2017B – These bonds were issued to provide for the permanent financing of various capital projects by and for the Hudson County Community College as authorized by Ordinance No. 489-08-2016 adopted August 5, 2016. Issued in 2017 for an original amount of $3,100,000, this bond has an outstanding balance at December 31, 2025 and 2024 of $1,600,000 and $1,805,000, respectively.

County College Refunding Bonds, Series 2017C – These bonds were issued to refund $17,978,000 of the County's $24,428,000 outstanding County College Bonds originally January 28, 2010 for $32,353,000. Whereas the original 2010 Bonds were scheduled to mature in annual installments through 2030, the 2017C bonds effectively refund all principal payments due from 2021 through 2030. Issued in 2017 for an original amount of $17,025,000 ($953,000 of the principal refunded was paid from premiums), these bonds had outstanding balances at December 31, 2025 and 2024 of $8,425,000 and $10,125,000, respectively.

County College Bonds, Series 2018 – These bonds were issued to provide for the permanent financing of various capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 533-8-2017 adopted August 10, 2017. Issued in 2018 for an original amount of $3,400,000, this bond had outstanding balances at December 31, 2025 and 2024 of $1,850,000 and $2,090,000, respectively.

County Vocational-Technical Schools Bonds, Series 2018 – These bonds were issued to provide for the permanent financing of various Hudson County Schools of Technology improvements and elated capital equipment acquisitions as authorized by Ordinance No. 534-8-2017 adopted August 10, 2017. Issued in 2018 for an original amount of $8,000,000, these bonds had outstanding balances at December 31, 2025 and 2024 of $4,185,000 and $4,795,000 respectively.

Energy Savings Obligation Refunding Bonds, Series 2018 – These bonds were issued to provide financing of the County's Energy Savings Improvement Program (ESIP), including individual energy conservation measures in and for the County. The County adopted the ESIP by Resolution July 12, 2018 following approval of the plan by the Board of Public Utilities on June 28, 2018. Adoption of the ESIP was preceded by a series of energy audits and studies verifying the results thereof which were initiated in 2010 through the New Jersey Board of Public Utility's Local Government Energy Program. Issued in 2018 for an original amount of $24,520,000, these bonds had outstanding balances at December 31, 2025 and 2024 of $20,095,000 and $20,990,000, respectively.

County College Bonds, Series 2019 – These bonds were issued to provide for the permanent financing of various capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 528-9-2018 adopted September 13, 2018. Issued in 2019 for an original amount of $6,700,000, this bond had outstanding balances at December 31, 2025 and 2024 of $5,215,000 and $5,500,000, respectively.

County Vocational-Technical Schools Bonds, Series 2019 – These bonds were issued to provide for the permanent financing of various Hudson County Schools of Technology improvements and related capital equipment acquisitions as authorized by Ordinance No. 529-9-2018 adopted September 13, 2018. Issued in 2019 for an original amount of $8,000,000, these bonds had outstanding balances at December 31, 2025 and 2024 of $5,525,000 and $5,975,000 respectively.

NOTE 4. COUNTY DEBT (continued)

General Improvement Bonds, Series 2020 – Issued in 2020 for an original amount of $223,086,000,000, these bonds had outstanding balances at December 31, 2025 and 2024 of $184,630,000 and $192,630,000, respectively. These bonds permanently financed $182,120,561in Bond Anticipation Notes in addition to new debt financings of $55,965,439. These bonds were issued to provide for the permanent financing of various Hudson County improvements as authorized by the ordinances noted below:

Ordinance Number	Adoption Date	General Purpose and Date of Final Adoption	Bonds Issued
276-07-2009	7/9/2009	Various capital improvements	$ 4,819,678.00
265-05-2012	5/16/2012	Various capital improvements	26,003,214.00
719-12-2013	12/12/2013	Various capital improvements and acquisitions	29,359,628.00
715-12-2014	12/11/2014	Acquisition of properties for various purposes	50,507,000.00
753-12-2015	12/23/2015	Various 2015 capital improvements and equipment acquisitions	42,746,230.00
590-9-2017	12/14/2017	Improvements to Meadowview Campus	17,285,250.00
591-9-2017	12/14/2017	Various capital acquisitions and improvements	28,684,811.00
191-3-2019	3/28/2019	Various 2019 park improvements	6,714,285.00
189-3-2020, amended 327-5-2020	3/26/2020, 5/27/2020	Various 2020 park improvements, as amended	16,965,904.00
			$ 223,086,000.00

County Vocational-Technical Schools Bonds, Series 2020 – On June 9, 2020 the County issued $15,000,000 of County Vocational-Technical Schools Bonds, Series 2020. The bonds mature in annual installments through 2040 at interest rates of 2% to 5% and were issued to fund Ordinance Numbers 268-5-2015 and 356-6-2019 which were adopted to provide for various capital improvements of the Hudson County Schools of Technology. These ordinances were adopted on May 14, 2015 and June 12, 2019, respectively. At December 31, 2025 and 2024 of $12,650,000 and $13,150,000, respectively.

County College Bonds, Series 2021 – These bonds were issued to provide for the permanent financing of various capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 518-9-2019 adopted August 15, 2019 and Ordinance No. 759-12-2020 adopted December 10, 2020. Issued in 2021 for an original amount of $8,840,000, this bond had outstanding balances at December 31, 2025 and 2024 of $7,370,000 and $7,750,000, respectively.

County Vocational-Technical Schools Bonds, Series 2021 – These bonds were issued to provide for the permanent financing of Hudson County Schools of Technology buses and related capital equipment acquisitions as authorized by Ordinance No. 453-7-2020 adopted July 9, 2020. Issued in 2021 for an original amount of $2,000,000, these bonds had outstanding balances at December 31, 2025 and 2024 of $1,670,000 and $1,755,000 respectively.

County College Bonds, Series 2022 – These bonds were issued to provide for the permanent financing of various capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 247-4-2021 adopted April 9, 2021. Issued in 2022 for an original amount of $5,349,000, this bond had outstanding balances at December 31, 2025 and 2024 of $4,480,000 and $4,780,000, respectively.

County Vocational-Technical Schools Bonds, Series 2022 – These bonds were issued to provide for the permanent financing of Hudson County Schools of Technology buses and related capital equipment acquisitions as authorized by Ordinance No. 246-4-2021 adopted April 9, 2021. Issued in 2022 for an original amount of $3,000,000, these bonds had outstanding balances at December 31, 2025 and 2024 of $2,505,000 and $2,675,000 respectively.

NOTE 4. COUNTY DEBT (continued)

County College Bonds, Series 2023 – These bonds were issued to provide for the permanent financing of various capital improvements and acquisition of related capital equipment at and for certain facilities of Hudson County Community College as authorized by Ordinance No. 531-9-2022 adopted September 8, 2022. Issued in 2023 for an original amount of $4,028,000, this bond had outstanding balances at December 31, 2025 and 2024 of $3,685,000 and $3,860,000, respectively.

County Vocational-Technical Schools Bonds, Series 2023 – These bonds were issued to provide for the permanent financing of Hudson County Schools of Technology buses and related capital equipment acquisitions as authorized by Ordinance No. 530-9-2022 adopted September 8, 2022. Issued in 2023 for an original amount of $3,000,000, these bonds had outstanding balances at December 31, 2025 and 2024 of $2,745,000 and $2,875,000 respectively.

General Obligation Bonds, Series 2024 – During the year ended December 31, 2024, the County issued $7,312,000 of general obligation bonds dated June 27, of which the following bonds remain outstanding:

- $3,000,000 County Vocational-Technical Schools Bonds, Series 2024, the proceeds of which provide for various capital improvements and the installation and acquisition of equipment and buses for the Hudson County Schools of Technology, as authorized by Ordinance No. 401-6-2023 finally adopted June 22, 2023. These bonds had outstanding balances at December 31, 2025 and 2024 of $2,850,000 and $3,000,000, respectively.
- $4,312,000 County College Bonds, Series 2024, the proceeds of which provide for the permanent financing of various capital projects as authorized by Ordinance No. 636-9-2023 finally adopted September 28, 2023, 2012. These bonds had outstanding balances at December 31, 2025 and 2024 of $4,135,000 and $4,312,000, respectively.
- Proceeds of both bonds were also used to pay costs of issuance of the bonds.

General Obligation Bonds, Series 2025 – During the year ended December 31, 2025, the County issued $6,655,000 of general obligation bonds dated June 26, of which the following bonds remain outstanding:

- $3,500,000 County Vocational-Technical Schools Bonds, Series 2025, the proceeds of which provide for various capital improvements and the installation and acquisition of equipment and buses for the Hudson County Schools of Technology, as authorized by Ordinance No. 451-7-2024 finally adopted July 11, 2024. These bonds had outstanding balances at December 31, 2025 and 2024 of $3,500,000 and $-0-, respectively.
- $3,155,000 County College Bonds, Series 2025, the proceeds of which provide for the permanent financing of various capital projects as authorized by Ordinance No. 557-9-2024 finally adopted September 12, 2024. These bonds had outstanding balances at December 31, 2025 and 2024 of $3,155,000 and $-0-, respectively.
- Proceeds of both bonds were also used to pay costs of issuance of the bonds.

NOTE 4. COUNTY DEBT (continued)

LOANS PAYABLE

Green Trust Loans Payable – Green Trust Loan activity for the year ended December 31, 2025 is as follows:

Summary of Green Trust Loans Activity

	Balance Dec. 31, 2024	Increase	Decrease	Balance Dec. 31, 2025	Due by Dec. 31, 2026
Bayonne and Waterfront Parks issued December 29, 2005 for $498,391.00 maturing semi-annually from 2006 through 2025 bearing an interest rate of 2%	$ 30,532.79	$ -	$ 30,532.79	$ -	$ -
Bayonne Gregg Park Development originally issued February 23, 2009 for $250,000.00 maturing semi-annually from 2009 through 2028 bearing an interest rate of 2%	59,475.73	-	14,428.06	45,047.67	14,718.07
West Hudson and Lincoln Parks - $650,259 Environmental Projects - $194,525 originally issued November 13, 2012 bearing an interest rate of 2%	139,913.96	-	69,260.91	70,653.05	70,653.05
Laurell Hill Park originally issued December 20, 2012 bearing an interest rate of 2%	434,722.04	-	50,631.48	384,090.56	51,649.17
Multi-Parks Playground originally issued August 19, 2013 bearing an interest rate of 2%	556,433.49	-	60,683.90	495,749.59	61,903.66
	$ 1,221,078.01	$ -	$ 225,537.14	$ 995,540.87	$ 198,923.95

NOTE 4. COUNTY DEBT (continued)

Green Trust Loan activity for the year ended December 31, 2024 is as follows:

Summary of Green Trust Loans Activity

	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024	Due by Dec. 31, 2025
Bayonne and Waterfront Parks issued December 29, 2005 for $498,391.00 maturing semi-annually from 2006 through 2025 bearing an interest rate of 2%	$ 60,463.97	$ -	$ 29,931.18	$ 30,532.79	$ 30,532.79
Bayonne Gregg Park Development originally issued February 23, 2009 for $250,000.00 maturing semi-annually from 2009 through 2028 bearing an interest rate of 2%	73,619.50	-	14,143.77	59,475.73	14,428.06
West Hudson and Lincoln Parks - $650,259 Environmental Projects - $194,525 originally issued November 13, 2012 bearing an interest rate of 2%	207,810.16	-	67,896.20	139,913.96	69,260.91
Laurell Hill Park originally issued December 20, 2012 bearing an interest rate of 2%	484,355.89	-	49,633.85	434,722.04	50,631.48
Multi-Parks Playground originally issued August 19, 2013 bearing an interest rate of 2%	615,921.69	-	59,488.20	556,433.49	60,683.90
	$ 1,442,171.21	$ -	$ 221,093.20	$ 1,221,078.01	$ 225,537.14

DEBT SERVICE REQUIREMENTS TO MATURITY

The repayment schedule of annual long-term debt service principal and interest for the next five years, and five-year increments there-after, for bonds and loans issued and outstanding is as follows:

		Serial and Term Bonds			Green Acres Loans		
Year	Total	Principal	Interest	Total	Principal	Interest	Total
2026	$ 40,491,091.93	$ 29,155,000.00	$ 11,118,246.83	$ 40,273,246.83	$ 198,923.95	$ 18,921.15	$ 217,845.10
2027	40,643,057.30	30,450,000.00	10,046,926.80	40,496,926.80	130,849.15	15,281.35	146,130.50
2028	37,953,146.55	28,850,000.00	8,957,016.03	37,807,016.03	133,479.23	12,651.29	146,130.52
2029	35,137,765.00	27,120,000.00	7,887,180.30	35,007,180.30	120,538.62	10,046.08	130,584.70
2030	35,201,207.36	28,180,000.00	6,890,622.66	35,070,622.66	122,961.45	7,623.25	130,584.70
2031-2035	123,915,081.14	100,975,000.00	22,643,156.41	123,618,156.41	288,788.47	8,136.26	296,924.73
2036-2040	104,819,358.84	95,286,000.00	9,533,358.84	104,819,358.84	-	-	-
2041-2045	16,238,143.76	15,665,000.00	573,143.76	16,238,143.76	-	-	-
Total	$ 434,398,851.88	$ 355,681,000.00	$ 77,649,651.63	$ 433,330,651.63	$ 995,540.87	$ 72,659.38	$ 1,068,200.25

NOTE 4. COUNTY DEBT (continued)

COUNTY-GUARANTEED DEBT

The County has guaranteed the following debt of the Hudson County Improvement Authority (HCIA).

Original Guaranty			Guaranteed Debt Outstanding at:	
Date	Amount	Description	Dec. 31, 2025	Dec. 31, 2024
04/13/2009	$ 300,000,000.00	Local Unit Loan Program Pooled Note Financing:		
		Series 2024A / Series 2025A	$ 44,589,000.00	$ 36,886,000.00
		Series 2024B / Series 2025B	94,161,517.00	95,105,000.00
09/22/2005	40,000,000.00	Harrison Stadium Project	11,015,453.50	12,212,089.45
		Weehawken Port Imperial Parking Project		
06/10/2021	11,500,000.00	Series 2021 Revenue Refunding Bonds	10,470,000.00	10,720,000.00
04/12/2018	25,000,000.00	Guttenberg General Obligation Bond Project	14,905,000.00	15,525,000.00
08/25/2009	23,000,000.00	Bayonne Crossing Project	4,665,481.91	5,778,102.38
11/10/2010	95,000,000.00	Solid Waste System Revenue Refunding Bonds:		
		Series 2012	27,005,000.00	29,610,000.00
		Series 2019	26,285,000.00	26,285,000.00
12/11/2014	160,000,000.00	Career Technical High School	143,875,000.00	146,535,000.00
03/12/2020	50,000,000.00	Koppers Site Spine Road Project	-	-
12/10/2010	13,000,000.00	Lincoln Park Golf Course Project	9,880,000.00	10,335,000.00
03/03/2012	5,465,000.00	Renewable Energy Program Revenue Bonds	1,085,000.00	1,450,000.00
		Casino in the Park Project		
06/27/2019	7,500,000.00	Series 2020 Lease Revenue Bonds	6,890,000.00	7,050,000.00
11/12/2020	2,500,000.00	Series 2021 Revenue Completion Bonds	2,330,000.00	2,390,000.00
05/07/2020	350,000,000.00	County Courthouse Project	319,040,000.00	326,540,000.00
04/22/2011	18,000,000.00	830 Bergen Ave (Net of County Share)	848,125.00	983,750.00
11/21/2023	13,500,000.00	115 Christopher Columbus Drive Project Notes	13,500,000.00	13,500,000.00
12/01/2025	52,500,000.00	Bayfront Promenade Project Revenue Bonds	44,220,000.00	-
Total Guaranty of Oustanding Bonds, Loans and Notes			$ 774,764,577.41	$ 740,904,941.83

Descriptions of County guarantees are as follows. Generally, the pursuant bond, note and loan obligations do not constitute obligations against the general credit of the County, except to the extent of the County Guarantee. Neither the debt nor the proceeds therefore are reflected on the accompanying financial statements, unless otherwise noted.

Local Unit Loan Program Pooled Note Financing - On August 13, 2009, the County adopted a Guaranty Ordinance fully, unconditionally and irrevocably securing the payment of principal and interest on certain notes to be issued by the HCIA (Pooled Note Financing) in an aggregate principal amount not exceeding $300,000,000 for the purpose of providing additional security therefor, consenting to such financing and determining certain other matters in connection therewith.

Pursuant to this guarantee, the HCIA has issued notes annually referred to as “County-Guaranteed Pooled Notes (Local Unit Loan Program)” – (the “program”). Local Units participating in the program are collectively referred to as “borrowers” in the paragraphs that follow. Notes issued under the program constitute direct, special and limited obligations of the HCIA and will be payable from and secured by payments made on general obligations notes purchased from each of the borrowers. The borrower’s notes are direct and general obligations of each of the respective borrowers. The notes are not a debt of the County, except to the extent of the County guarantee.

NOTE 4. COUNTY DEBT (continued)

Note activity under this Loan Program during the years ended December 31, 2025 and 2024 is summarized as follows:

		Issue Date	Interest Rate	Maturity Date	Oustanding at Dec. 31, 2025	Oustanding at Dec. 31, 2024
Series 2025A	Tax-Exempt	03/13/2025	4.000%	03/12/2026	$ 44,589,000.00	$ -
Series 2024A	Tax-Exempt	03/26/2024	4.250%	03/25/2025	-	36,886,000.00
Series 2025B-1	Tax-Exempt	06/25/2025	4.000%	06/24/2026	78,301,517.00	-
Series 2025B-2	Taxable	06/25/2025	5.250%	06/24/2026	15,860,000.00	-
Series 2024B-1	Tax-Exempt	07/12/2024	4.500%	07/11/2025	-	81,795,000.00
Series 2024B-2	Taxable	07/12/2024	6.000%	07/11/2025	-	13,310,000.00
					$ 138,750,517.00	$ 131,991,000.00

Further description of the purposes of these notes is as follows:

- **Guaranteed Pooled Notes, Series 2025A** - On March 13, 2025, the HCIA issued $41,589,000 of County Guaranteed Pool Notes Series 2025A, issued at an interest rate of 4.00% and maturing March 12, 2026. These notes were issued to provide funds to make loans to the City of Bayonne, Township of Weehawken and the City of Union City, and related refinancing costs and costs of issuance.
- **Guaranteed Pooled Notes, Series 2025B** – On June 25, 2025, the HCIA issued $94,161,517 of County Guaranteed Pooled Notes Series 2025B, consisting of: $78,301,517 Tax Exempt County-Guaranteed Pooled Notes Series 2025B-1 maturing June 24, 2026 at an interest rate of 4.00%; and $15,860,000 Federally Taxable County-Guaranteed Pooled Notes Series 2025B-2 maturing June 24, 2026 at an interest rate of 5.25%. These notes were issued to provide funds to make loans to the City of Bayonne and the Town of West New York, as well as related costs of issuance and refinancing costs.
- **Guaranteed Pooled Notes, Series 2024A** - On March 26, 2024, the HCIA issued $36,886,000 of County Guaranteed Pool Notes Series 2024A, issued at an interest rate of 4.25% and maturing March 25, 2025. These notes were issued to provide funds to make loans to the City of Bayonne, Township of Weehawken and the City of Union City, and related refinancing costs and costs of issuance.
- **Guaranteed Pooled Notes, Series 2024B** – On July 12, 2024, the HCIA issued $95,105,000 of County Guaranteed Pooled Notes Series 2024B, consisting of: $81,795,000 Tax Exempt County-Guaranteed Pooled Notes Series 2024B-1 maturing July 11, 2025 at an interest rate of 4.5%; and $13,310,000 Federally Taxable County-Guaranteed Pooled Notes Series 2024B-2 maturing July 11, 2025 at an interest rate of 6.0%. These notes were issued to provide funds to make loans to the City of Bayonne, Town of West New York, City of Union City and the Township of Weehawken, as well as related costs of issuance and refinancing costs.

Harrison Stadium Project - On September 22, 2005, the County guaranteed the payment of principal and interest on $40,000,000 County Guaranteed Stadium Land Acquisition Bonds (Harrison Stadium Project) issued by the HCIA. The proceeds of these bonds are to be used to purchase land to construct a multipurpose soccer stadium and amphitheater in the Town of Harrison. In 2006 the HCIA issued $39,400,345 Lease Revenue Bonds Series 2006 consisting of $30,529,047 Tax-Exempt County-Guaranteed Harrison Stadium Land Acquisition Special Obligation Capital Appreciation Bonds, Series 2006A-1 and $8,871,298 Federally Taxable County-Guaranteed Harrison Stadium Land Acquisition Special Obligation Capital Appreciation Bonds, Series 2006A-2. The balance outstanding on these bonds at December 31, 2025 and 2024 was $11,015,453.50 and $12,212,089.45, respectively.

NOTE 4. COUNTY DEBT (continued)

Weehawken Port Imperial Parking Redevelopment Project - On March 11, 2010, the County adopted Ordinance No. 119-3-2010 authorizing the guaranty of payment of principal and interest on $12,500,000 County Guaranteed Special Obligation Revenue Bonds issued by the HCIA for the purpose of providing additional security therefor and determining certain other matters in connection therewith. Ordinance No. 340-6-2021 was adopted on June 11, 2021 for the purpose of amending Ordinance No. 119-3-2010 to reflect the HCIA's refunding of the original bonds. This amending ordinance reduces the amount of the guaranty to $11,500,000. The balance of the refunding bonds at December 31, 2025 and 2024 was $10,470,000 and $10,720,000, respectively.

Guttenberg Government Loan Revenue Bonds - On April 12, 2018, the County adopted Ordinance No. 216-4-2018 authorizing the guaranty of payment of principal and interest of Governmental Loan Revenue Bonds, Series 2018 in an amount not to exceed $25,000,000 providing for the construction of a building and improvements to the Anna L. Klein School located in the Town of Guttenberg for community, recreational and education services, including site improvements, construction of a rooftop park, other park improvements and the acquisition of land. The HCIA issued these bonds in 2018 in the amount of $19,150,000. The balance outstanding on these bonds at December 31, 2025 and 2024 was $14,905,000 and $15,525,000, respectively.

Bayonne Crossing Project - On August 25, 2009, the County adopted an ordinance authorizing the guaranty of payment of the payment of principal and interest on $23,000,000 County Guaranteed Pilot Revenue Bonds (Bayonne Crossing Project) issued by the HCIA for the purpose of providing additional security therefor and determining certain other matters in connection therewith. Pursuant to this guarantee, on September 15, 2009, the HCIA adopted a resolution authorizing it to act as an applicant for a loan application with the New Jersey Environmental Infrastructure Trust Fund on the behalf of the Bayonne Local Redevelopment Agency for the acquisition of land and/or various infrastructure improvements associated with the Bayonne Shopping Center Project. The Bayonne Local Redevelopment Agency is responsible for the repayment of the loan by certain payments-in-lieu-of taxes (Annual Service Changes) made by Cameron Bayonne Urban Renewal, LLC (the redeveloper). The loan obligations do not constitute obligations against the general credit of the County, except to the extent of the County Guarantee. The balance outstanding on these loans at December 31, 2025 and 2024 was $4,665,481.91 and $5,778,102.38, respectively.

Solid Waste System Revenue Refunding Bonds - On November 10, 2010, the County adopted an Ordinance authorizing the guaranty of payment of principal and interest on $95,000,000 County Guaranteed Solid Waste System Revenue Refunding Bonds issued by the HCIA for the purpose of providing additional security therefor and determining certain other matters in connection therewith. Pursuant to this guarantee, the HCIA issued $84,945,000 of County-Guaranteed Solid Waste System Revenue Refunding Bonds, Series 2010, consisting of:

- $31,815,000, Series 2010A Tax-Exempt Serial Bonds maturing in 2040 with interest rates ranging from 5.25% to 6%.
- $43,655,000, Series 2010B Tax-Exempt Serial and Term Bonds maturing in 2013 with interest rates ranging from 2% to 5%.
- $9,475,000, Series 2010C Federally Taxable Serial Bonds maturing in 2017 with interest rates ranging from 3%-5%.

The HCIA subsequently refunded these bonds as follows:

- On December 25, 2012, the HCIA refunded $45,055,000 of the Series 2010B bonds by issuing $45,605,000 Refunding Series 2012 Term Bonds maturing in annual instalments from 2018 through 2029 with interest rates ranging from 2.14% to 4.0%, and a term bond maturing in 2034 at 4.25%. The outstanding balance of these bonds at December 31, 2025 and 2024 was $27,005,000 and $29,610,000, respectively.
- On October 22, 2019, the HCIA refunded the $31,815,000 Series 2010A bonds by issuing $26,285,000 Refunding Bonds, Series 2019, maturing in annual installments from 2034 through 2040 at an interest rate of 4%. The outstanding balance of these bonds at December 31, 2025 and 2024 was $26,285,000, each year.

NOTE 4. COUNTY DEBT (continued)

Career Technical High School - On December 11, 2014, the County adopted Ordinance No. 713-12-2014 authorizing the guaranty of payment of principal and interest of bonds, notes or other obligations in an amount not to exceed $160,000,000 providing for a new Career Technical High School to be located in the Town of Secaucus for use by the County and any of its subdivisions, departments, agencies or instrumentalities, including without limitation the Board of School Estimate of the Hudson County Vocational School District. The balance outstanding on these bonds at December 31, 2025 and 2024 was $143,875,000 and $146,535,000, respectively.

Koppers Site Spine Road Project - On March 12, 2020, the County adopted an ordinance authorizing the guaranty of the payment of principal and interest on not exceeding $50,000,000 aggregate principal amount of County Guaranteed Redevelopment Area Bonds, Series 2020 (Koppers Site Spine Road Project) issued by the HCIA. As of December 31, 2025, the HCIA has not yet issued these bonds.

COUNTY-GUARANTEED DEBT WITH RENTAL PAYMENTS

Lincoln Park Golf Course Project - On December 10, 2010, the County adopted an Ordinance authorizing the guaranty of payment of principal and interest on $13,000,000 County Guaranteed Golf Course Revenue Bonds issued by the HCIA for the purpose of providing additional security therefor and determining certain other matters in connection therewith. Pursuant to this guarantee, the HCIA issued $12,995,000 of County-Guaranteed Lease Revenue Bonds, Series 2011, consisting of serial and term bonds interest rates of 2% to 4.75% finally maturing in 2041. The proceeds of these bonds are used to finance the cap and closure of a municipal landfill and the construction of a public, nine-hole golf course thereon, together with all materials and work necessary therefor or incidental thereto (the "Project") and pay costs of issuance associated with the Project. These bonds were subsequently financed in 2020 for $11,790,000 at interest rates of 0.619%-3.09% due annually until 2041.

These bonds are the full faith and credit obligation of the HCIA payable solely out of the revenues or other receipts, funds or moneys of the HCIA. However, the County is obligated to make rental payments to the HCIA in amounts sufficient to pay the debt service on the bonds when due and other expenses of the HCIA and the Trustee. The amount of the County's future minimum payments under the agreement is as follows:

Lincoln Park Golf Course - Minimum Future Payments

Year	Total Lease Payments	Principal	Interest
2026	$ 696,550.76	$ 455,000.00	$ 241,550.76
2027	700,882.41	465,000.00	235,882.41
2028	738,810.66	510,000.00	228,810.66
2029	740,112.96	520,000.00	220,112.96
2030	740,113.21	530,000.00	210,113.21
2031-2035	3,831,482.34	2,965,000.00	866,482.34
2036-2040	4,036,532.00	3,620,000.00	416,532.00
2041	827,591.75	815,000.00	12,591.75
	$ 12,312,076.09	$ 9,880,000.00	$ 2,432,076.09

Renewal Energy Program - On December 8, 2011, the County adopted Ordinance No. 557-12-2011 authorizing the guaranty of payment of principal and interest on $8,000,000 of County Guaranteed Renewable Energy Program Lease Revenue Bonds issued by the HCIA for the purpose of providing additional security therefor and determining certain other matters in connection therewith. Pursuant to this guarantee, the HCIA issued $5,465,000 in County – Guaranteed Renewable Energy Lease Revenue Bonds, Series 2012A.

NOTE 4. COUNTY DEBT (continued)

These bonds are the full faith and credit obligation of the HCIA payable solely out of the revenues or other receipts, funds or moneys of the HCIA. However, the County is obligated to make rental payments to the HCIA in amounts sufficient to pay the debt service on the bonds when due and other expenses of the HCIA and the Trustee. The amount of the County's future minimum payments under the agreement is as follows:

Renewable Energy Program - Minimum Future Payments

Year	Total Lease Payments	Principal	Interest
2026	$ 406,692.50	$ 365,000.00	$ 41,692.50
2027	385,200.00	360,000.00	25,200.00
2028	368,460.00	360,000.00	8,460.00
	$ 1,160,352.50	$ 1,085,000.00	$ 75,352.50

Casino-in-the-Park Project - On September 13, 2019, the County adopted an ordinance authorizing the guaranty of the payment of principal and interest on not exceeding $7,500,000 aggregate principal amount of County Guaranteed Lease Revenue Bonds, Series 2019 (Casino in the Park Project) issued by the HCIA. The HCIA issued these bonds on December 17, 2019 in the amount of $7,500,000, maturing in annual installments from 2022 through 2030 in addition to term bonds of $2,025,000 due in 2039 at 3.567% interest and $3,985,000 due in 2051 at 3.717% interest. An additional guarantee for this project of $2,500,000 was passed on November 12, 2020. The HICA issued these bonds on June 17, 2021 in the amount of $2,500,000 consisting of four term bond payments due as follows: $230,000 due in 2026 at 1.47% interest $315,000 due in 2031 at 2.31% interest, $775,000 due in 2041 at 3.1% interest and $1,180,000 due in 2052 at 3.3% interest.

These bonds are the full faith and credit obligation of the HCIA payable solely out of the revenues or other receipts, funds or moneys of the HCIA. However, the County is obligated to make rental payments to the HCIA in amounts sufficient to pay the debt service on the bonds when due and other expenses of the HCIA and the Trustee.

Year	Total Lease Payment	Series 2021 Principal	Series 2021 Interest	Series 2020 Principal	Series 2020 Interest
2026	$ 540,402.70	$ 60,000.00	$ 71,123.50	$ 165,000.00	$ 244,279.20
2027	539,495.70	60,000.00	70,241.50	170,000.00	239,254.20
2028	537,934.70	60,000.00	68,855.50	175,000.00	234,079.20
2029	541,223.70	65,000.00	67,469.50	180,000.00	228,754.20
2030	544,172.20	65,000.00	65,968.00	190,000.00	223,204.20
2031-2035	2,705,029.91	345,000.00	303,771.50	1,045,000.00	1,011,258.41
2036-2040	2,709,381.37	405,000.00	247,090.00	1,250,000.00	807,291.37
2041-2045	2,708,844.37	470,000.00	179,175.00	1,505,000.00	554,669.37
2046-2050	2,704,892.70	555,000.00	96,690.00	1,805,000.00	248,202.70
2051-2052	669,736.93	245,000.00	12,210.00	405,000.00	7,526.93
	$ 14,201,114.28	$ 2,330,000.00	$ 1,182,594.50	$ 6,890,000.00	$ 3,798,519.78

County Courthouse Project - On May 7, 2020, the County adopted an ordinance authorizing the guaranty of the payment of principal and interest not exceeding $350,000,000 aggregate principal amount of County Secured Lease Revenue Bonds, Series 2020 (Hudson County Courthouse Project) issued by the HCIA. The HCIA issued these bonds on October 15, 2020 in the amount of $342,240,000, maturing in annual installments from 2022 through 2041 in addition to term bonds of $74,860,000 due in 2046 at 4.0% interest and $75,000,000 due in 2051 at 4.0% interest.

NOTE 4. COUNTY DEBT (continued)

These bonds are the full faith and credit obligation of the HCIA payable solely out of the revenues or other receipts, funds or moneys of the HCIA. However, the County is obligated to make rental payments to the HCIA in amounts sufficient to pay the debt service on the bonds when due and other expenses of the HCIA and the Trustee.

	Total Lease	Series 2020	
Year	Payment	Principal	Interest
2026	$ 19,892,150.00	$ 7,500,000.00	$ 12,392,150.00
2027	19,517,150.00	7,500,000.00	12,017,150.00
2028	19,142,150.00	7,500,000.00	11,642,150.00
2029	18,767,150.00	7,500,000.00	11,267,150.00
2030	18,392,150.00	7,500,000.00	10,892,150.00
2031-2035	101,448,450.00	52,570,000.00	48,878,450.00
2036-2040	104,285,550.00	64,820,000.00	39,465,550.00
2041-2045	101,110,400.00	74,150,000.00	26,960,400.00
2046-2050	87,000,000.00	75,000,000.00	12,000,000.00
2051	15,600,000.00	15,000,000.00	600,000.00
	$ 505,155,150.00	$ 319,040,000.00	$ 186,115,150.00

115 Christopher Columbus Drive Project - On November 21, 2023, the County adopted an ordinance authorizing the guaranty of the payment of principal and interest not exceeding $13,500,000 aggregate principal amount of County Guaranteed Revenue Bonds, Series 2023 (115 Christopher Columbus Drive Project) issued by the HCIA. The HCIA issued notes on December 19, 2024 in the amount of $13,500,000, maturing December 18, 2025 at 4.64% interest. On December 15, 2025 the HCIA issued notes in the amount of $13,500,000 maturing on December 15, 2028 at 4.625% interest.

These notes are special, limited obligations of the HCIA, payable solely out of the revenues or other receipts, funds or moneys of the HCIA pledged under the indenture and from any amounts otherwise available under the indenture for the payment of the notes, including the Trust Estate.

Bayfront Promenade Project - On March 13, 2025, the County adopted an ordinance authorizing the guaranty of the payment of principal and interest not exceeding $52,500,000 aggregate principal amount of County Guaranteed Housing Revenue Bonds, Series 2025 (Bayfront Promenade Project) issued by the HCIA. The HCIA issued these bonds on December 2, 2025 in the amount of $42,220,000, maturing in annual installments from 2026 through 2038.

These bonds are special, limited obligations of the HCIA, payable by the HCIA solely from the Trust Estate, which includes revenues received pursuant to the loan agreement and assigned to the trustee, and other amounts pledged to the bonds pursuant to the indenture.

BERGEN AVE REFUNDING BONDS AND COUNTY-GUARANTEE OF DEBT

Acquisition of Bergen Avenue Property - On April 22, 2011, the County adopted Ordinance No. 415-9-2011 authorizing the guaranty of payment of principal and interest on $18,000,000 of County Guaranteed Special Acquisition Bonds issued by the HCIA for the purpose of providing additional security therefor and determining certain other matters in connection therewith. Pursuant to this guarantee, the HCIA issued $17,835,000 of County-Guaranteed Special Acquisition Bonds, Series 2011, consisting of serial and term bonds with interest rates of 2% to 4.5% finally maturing in 2031. The proceeds of the bonds are being used to finance the acquisition and improvements to 830 Bergen Avenue (the “Property”), fund the debt service reserve fund, fund capitalized interest on the bonds from the date of the bonds through and including November 15, 2012, and pay costs of issuance associated with the Property. These bonds were subsequently refunded in 2020 for $11,225,000.

NOTE 4. COUNTY DEBT (continued)

On November 30, 2011, the HCIA purchased the Property located at 830 Bergen Avenue in Jersey City, New Jersey containing approximately 110,000 square feet of office space and associated parking for approximately one hundred and fifty cars and converted the Property into two condominiums. The HCIA retained one of the condominiums consisting of one floor of office space and a 12.5% interest in the Property and the second condominium was sold to the County consisting of seven floors of office space and an 87.5% interest in the Property pursuant to an installment purchase agreement. The County has financed the installment purchase agreement through the adoption of Ordinance No. 416-9-2011 on September 22, 2011. The purchase of the property was $8,175,115. The remaining proceeds of the 2011 bonds are being held by a trustee to pay bills associated with improvements of the property and other associated costs as submitted by the County and HCIA. Should any funds remain, they will be used to pay down the related debt, reducing the liability of the County.

Accordingly, a liability has been established on the books of the County for its pro-rata share of the purchase price and subsequent improvements. 87.5% of costs incurred and submitted to the trustee are charged to the improvement authorization, and mortgage payable, established to track the County's share of costs paid by the trustee, is correspondingly increased.

On September 15, 2020, the HCIA issued $11,225,000 of Federally Taxable County-Guaranteed Special Acquisition Refunding Bonds Series 2020. The County obligation of these bonds, representing its installment purchase or mortgage principal due, was $9,821,875. The remaining $1,403,125 is the direct obligation of the HCIA and represents the amount of the County guarantee.

The amortization schedule below details the County's installment purchase, or mortgage payable, due as represented in the General Capital Fund Balance Sheet as "Bergen Ave Refunding Bonds". The amortization schedule also presents the County's guarantee for the HCIA's portion of the Bergen Ave Refunding Bonds above that of the County's liability.

	County Share (of Bergen Ave Refunding Bonds) Bergen Avenue Installment Payment Obligations			County Guarantee of HCIA Share Bergen Avenue Installment Payment Obligations		
Year	Total	Principal	Interest	Total	Principal	Interest
2026	$ 1,052,201.38	$ 953,750.00	$ 98,451.38	$ 150,314.48	$ 136,250.00	$ 14,064.48
2027	1,054,682.52	966,875.00	87,807.52	150,668.94	138,125.00	12,543.94
2028	1,050,418.40	975,625.00	74,793.40	150,059.78	139,375.00	10,684.78
2029	1,057,210.22	997,500.00	59,710.22	151,030.04	142,500.00	8,530.04
2030	1,052,090.96	1,010,625.00	41,465.96	150,298.70	144,375.00	5,923.70
2031	1,053,965.68	1,032,500.00	21,465.68	150,566.52	147,500.00	3,066.52
	$ 6,320,569.16	$ 5,936,875.00	$ 383,694.16	$ 902,938.46	$ 848,125.00	$ 54,813.46

BOND ANTICIPATION NOTES PAYABLE

The County issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year, but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes may be paid no later than the close of the tenth fiscal year next following the date of the original notes. The Division also prescribes that notes cannot be renewed past the third anniversary date of the original note unless an amount equal to at least the first legally required installment is paid prior to each anniversary date.

NOTE 4. COUNTY DEBT (continued)

On February 27, 2025, the County issued $210,954,561 of Series 2025 Bond Anticipation Notes. These notes bear an interest rate of 4.0% and mature February 26, 2026, and were issued to finance the costs of projects authorized as noted below:

Ordinance Number	Adoption Date	General Purpose and Date of Final Adoption		Notes Issued
339-6-2018	6/30/2018	Roads and Property Improvements	$	15,438,000.00
553-9-2019	9/12/2019	Various 2019 Capital Improvements		28,380,950.00
245-4-2021	4/29/2021	2021 Parks Improvements		15,685,714.00
305-5-2021	5/27/2021	2021 Roads and Public Property		21,392,380.00
247-4-2022	4/28/2022	2022 Park Improvements		17,153,923.00
145-2-2023	2/23/2023	Various 2023 Capital Improvements		20,004,857.00
303-4-2023	4/13/2023	Various 2023 Park Improvments		22,549,333.00
330-5-2023	5/11/2023	Various 2023 Road and Bridge Improvements		7,380,627.00
637-9-2023	9/28/2023	Construction of tower project for HCCC		36,000,000.00
200-3-2024	3/28/2024	Various 2024 Park Improvements		17,577,211.00
300-5-2024	5/9/2024	Various 2024 Road and Bridge Improvements		9,391,566.00
			$	210,954,561.00

On February 29, 2024, the County issued $140,605,157 of Series 2024 Bond Anticipation Notes. These notes bear an interest rate of 4.0% and mature February 28, 2025, and were issued to finance the costs of projects authorized as noted below:

Ordinance Number	Adoption Date	General Purpose and Date of Final Adoption		Notes Issued
339-6-2018	6/30/2018	Roads and Property Improvements	$	15,438,000.00
553-9-2019	9/12/2019	Various 2019 Capital Improvements		28,380,950.00
245-4-2021	4/29/2021	2021 Parks Improvements		15,685,714.00
305-5-2021	5/27/2021	2021 Roads and Public Property		21,392,380.00
247-4-2022	4/28/2022	2022 Park Improvements		17,153,923.00
145-2-2023	2/23/2023	Various 2023 Capital Improvements		20,004,857.00
303-4-2023	4/13/2023	Various 2023 Park Improvments		22,549,333.00
			$	140,605,157.00

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

The County has authorized but not issued bonds and notes as noted in the table that follows, in the General Capital Fund, and which includes authorizations for General, Community College and Technical School capital projects. The following activity relates to bonds and notes authorized but not issued that occurred during the years ended December 31, 2025 and 2024:

NOTE 4. COUNTY DEBT (continued)

	2025	2024
Beginning Balance	$ 111,943,722.34	$ 226,236,957.34
Add Debt Authorized	71,537,052.00	34,124,585.00
	183,480,774.34	260,361,542.34
Less: Financed or Funded by:		
Bonds Issued	6,655,000.00	7,312,000.00
Notes Issued	70,349,404.00	140,605,157.00
Premium	808.00	663.00
Grants, Aid and Loans	562,929.55	-
Canceled	438.40	-
Budget Appropriations	-	500,000.00
	77,568,579.95	148,417,820.00
Ending Balance	$ 105,912,194.39	$ 111,943,722.34

SUMMARY OF STATUTORY DEBT CONDITION – ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows for the year ended December 31, 2025 is prepared in accordance with the required method of setting up the Annual Debt Statement.

	Gross Debt	Deductions	Net Debt
General Debt	$ 1,348,332,554.28	$ 842,473,460.28	$ 505,859,094.00

Net debt, $505,859,094.00, divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended, $132,280,522,071 equals 0.382%. Equalized valuation basis is the average of the equalized valuations of real estate, including improvements, and the assessed valuation of class II Railroad Property of the County for the last 3 preceding years.

The summarized statement of debt condition which follows for the year ended December 31, 2024 is prepared in accordance with the required method of setting up the Annual Debt Statement.

	Gross Debt	Deductions	Net Debt
General Debt	$ 1,378,809,149.18	$ 807,113,975.26	$ 571,695,173.92

Net debt, $571,695,173.92, divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended, $119,436,889,635 equals 0.479%. Equalized valuation basis is the average of the equalized valuations of real estate, including improvements, and the assessed valuation of class II Railroad Property of the County for the last 3 preceding years.

BORROWING POWER UNDER N.J.S.A. 40A:2-6, AS AMENDED

	Dec. 31, 2025	Dec. 31, 2024
2% of Equalized Valuation Basis	$ 2,645,610,441.42	$ 2,388,737,792.70
Net Debt	505,859,094.00	571,695,173.92
Remaining Borrowing Power	$ 2,139,751,347.42	$ 1,817,042,618.78

NOTE 5. FUND BALANCES APPROPRIATED

Fund balance of the County consists of cash surplus and non-cash surplus. The County can anticipate fund balance to support its budget of the succeeding year, however, use of non-cash surplus is subject to the prior written consent of the Director of the Division. Fund balances at December 31, 2025 and 2024 that were appropriated and included as anticipated revenue in the succeeding year were as follows:

	Fund Balance Dec. 31, 2025	Utilized in 2026 Budget*	Fund Balance Dec. 31, 2024	Utilized in 2025 Budget
Current Fund	$ 57,295,021.76	$ 45,000,000.00	$ 59,919,068.48	$ 52,000,000.00
General Capital Fund	878,773.94	-	1,738,774.03	-
Trust Fund	441,245.46	-	441,245.46	-
Affordable Housing Utility Operating Fund	408,994.37	250.00	404,788.19	250.00

*Per introduced budget. The amount of surplus anticipated in 2026 is subject to change.

The accounting principles and requirements prescribed by the Division do not provide for reservations or designations of fund balance on the financial statements.

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION

Substantially all County employees participate in the Consolidated Police and Fireman's Pension Fund (CPFPF), Public Employees Retirement System (PERS), Police and Fireman's Retirement System of New Jersey (PFRS) or the Defined Contribution Retirement Program (DCRP), all of which are multiple employer plans sponsored and administered by the State of New Jersey, with the exception of the CPFPF, which is a single employer plan. The CPFPF, PERS and PFRS are cost sharing contributory defined benefit public employee retirement systems. The DCRP is a defined contribution plan.

In addition, certain employees participate in the following plans: Hudson County Employees' Pension Fund, Court Attendant's Pension Fund, Non-Contributory Pension Fund and Veterans' Pension Fund.

STATE-MANAGED PENSION PLANS - CPFPF

The Consolidated Police and Fireman's Pension Fund (CPFPF) is a single employer contributory defined benefit plan which was established on January 1, 1952, under the provisions of N.J.S.A. 43:16 to provide retirement, death and disability benefits to county and municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members. The County currently only makes contributions for its retirees who are enrolled in this pension fund. During the years ended December 31, 2025, 2024 and 2023, the County contributed $0-, $0- and $17,888.65, respectively.

STATE-MANAGED PENSION PLANS – PERS (PROSECUTORS PART)

Chapter 366, P.L. 2001, established a special Prosecutors Part within the Public Employees' Retirement System (PERS), effective January 7, 2002. Chapter 1, P.L. 2010, closed the Prosecutors Part of the PERS to new members as of May 21, 2010. Prosecutors who were enrolled on or before May 21, 2010, remain members of the Prosecutors Part of the PERS, provided that they continue in eligible prosecutor service. Prosecutors taking office after May 21, 2010, will be enrolled as "regular" Tier 4 members of the PERS - except that a County Prosecutor who is appointed by the Governor with the advice and consent of the Senate will be enrolled in the Defined Contributions Retirement Program (DCRP) or regular PERS if a Tier 1 PERS member continuously since July 1, 2007.

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

STATE-MANAGED PENSION PLANS – PERS

Regulatory Basis Disclosure –The New Jersey Division of Local Government Services allows counties to include in their annual audits the most recent available audited GASB 68 financial information published by the New Jersey Division of Pension and Benefits. As of the date of this report information for the period ended June 30, 2025 was available for PERS.

Plan Description and Eligibility - The PERS was established in January, 1955 under provisions of N.J.S.A. 43:15A and provides retirement, death, disability and post-retirement medical benefits to certain qualifying Plan members and beneficiaries. Membership is mandatory to substantially all full time employees and vesting occurs after 8 to 10 years of service for pension benefits. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2007, 2008, 2010 and 2011. These changes resulted in various "tiers" which distinguish period of eligibility for enrollment. The delineation of these tiers is as follows:

- Tier 1: Employees enrolled before July 1, 2007.
- Tier 2: Employees eligible for enrollment after June 30, 2007 but before November 2, 2008.
- Tier 3: Employees eligible for enrollment after November 1, 2008 but before May 22, 2010.
- Tier 4: Employees eligible for enrollment after May 21, 2010 but before June 28, 2011.
- Tier 5: Employees eligible for enrollment after June 27, 2011.

Tier 1 and 2 employees must earn a base salary of $1,500 or more to enroll in the plan. Pensionable salaries are limited to the IRS maximum salary compensation limits for Tier 1 employees and social security maximum wage for Tier 2 employees. Tier 2 employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 3 employees must earn a base salary that is annually adjusted.

For the year ended December 31, 2025 and 2024, this base salary amount was $9,600 and $9,300, respectively. Employees earning between $5,000 and the Tier 3 minimum base salary are eligible for participation in DCRP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 4 and 5 employees do not have a minimum salary requirement to enroll but must work a minimum of 32 hours per week. Employees not meeting the minimum hour requirement but that make over $5,000 are eligible to enroll in DRCP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount.

Plan Benefits - Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier. Each of the 5 Tiers have eligibility requirements and benefit calculations which vary for deferred retirements, early retirements, veteran retirements, ordinary disability retirements and accidental disability retirements. There is no minimum service requirement to receive these pension benefits. State-paid insurance coverage may be obtained after 25 years of service for employees in Tiers 1 through 4 and 30 years of service for Tier 5 employees.

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Contributions and Liability - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and their employers. Such contributions may be amended by State legislation. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits. The employee contributions include funding for basic retirement allowances and contributory death benefits. Contributions made by the County and its employees for the previous three years are as follows:

	County Contribution			Employee Contributions		
Year Ended Dec. 31,	Amount Paid or Charged	As a Percentage of Base Wages	Base Wages Subject to Contributions	Amount Contributed	As a Percentage of Base Wages	
					Prosecutor	Regular
2025	$ 21,686,098.00	15.7%	$ 138,477,441.00	$ 10,560,091.00	10.00%	7.50%
2024	$ 21,235,928.45	16.0%	$ 132,625,188.00	$ 10,112,802.67	10.00%	7.50%
2023	$ 20,284,241.58	15.9%	$ 127,798,240.00	$ 9,753,385.39	10.00%	7.50%

At June 30, 2025 and 2024, the County's net pension liability for PERS, including the County's proportionate share, was as follows:

Year Ended June 30,	Proportionate Share		Net Pension Liability
	Rate	Change	
2025	1.59916%	0.00545%	$ 196,674,568
2024	1.59370%	0.00603%	$ 216,553,353

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability as of June 30, 2025 and 2024 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	2025		2024	
At:	Rate	Amount	Rate	Amount
1% Decrease	6.00%	$ 269,235,786	6.00%	$ 287,746,165
Current Discount Rate	7.00%	196,674,568	7.00%	216,553,353
1% Increase	8.00%	134,833,154	8.00%	155,968,662

Actuarial Assumptions - The total pension liability for the June 30, 2025 and June 30, 2024 measurement dates were determined by actuarial valuations as of July 1, 2024 and 2023, respectively, which were rolled forward to June 30, 2025 and 2024, respectively. These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

Measurement Date	Inflation Rate		Salary Increases Based on Years of Service	Investment Rate of Return
	Price	Wage		
June 30, 2025	2.75%	3.25%	3.25-7.75%	7.00%
June 30, 2024	2.75%	3.25%	2.75-6.55%	7.00%

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2025 and June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS target asset allocations as of June 30, 2025 and 2024 are summarized in the following table:

	June 30, 2025		June 30, 2024	
Asset Class	Target Allocation	Long-Term Expected Rate of Return	Target Allocation	Long-Term Expected Rate of Return
U.S. Equity	28.00%	8.55%	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.77%	12.75%	8.85%
International Small Cap Equity	1.25%	8.77%	1.25%	8.85%
Emerging Markets Equity	5.50%	10.30%	5.50%	10.66%
Private Equity	13.00%	12.00%	13.00%	12.40%
Real Estate	8.00%	10.78%	8.00%	10.95%
Real Assets	3.00%	7.90%	3.00%	8.20%
High Yield	4.50%	6.63%	4.50%	6.74%
Private Credit	8.00%	9.00%	8.00%	8.90%
Investment Grade Credit	7.00%	5.47%	7.00%	5.37%
Cash Equivalents	2.00%	3.61%	2.00%	3.57%
U.S. Treasuries	4.00%	3.61%	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.26%	3.00%	7.10%

Mortality – For the June 30, 2025 Measurement Date, preretirement mortality rates were based on the Pub-2016 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2016 General Below-Median Income Healthy Retiree mortality table with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2016 Non-Safety Disabled Retiree mortality table with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2021 to June 30, 2024.

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

For the June 30, 2024 Measurement Date, preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2023 valuation was based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Deferred Outflows and Inflows of Resources - The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources for the years ended June 30, 2025 and 2024:

	June 30, 2025			June 30, 2024		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	$ 31,056	$ (2,265,865)	$ (2,234,809)	$ 269,027	$ (2,463,879)	$ (2,194,852)
Difference Between Expected and Actual Experience	5,607,560	(210,173)	5,397,387	4,337,963	(576,525)	3,761,438
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(16,400,064)	(16,400,064)	-	(10,040,986)	(10,040,986)
Changes in Proportion	2,942,750	(1,068,007)	1,874,743	6,010,528	(1,581,471)	4,429,057
	$ 8,581,366	$ (19,944,109)	$ (11,362,743)	$ 10,617,518	$ (14,662,861)	$ (4,045,343)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,		Year Ended June 30,	
2026	$ 3,126,752	2025	$ (7,919,184)
2027	(6,526,232)	2026	6,127,628
2028	(5,036,034)	2027	(3,525,356)
2029	(2,947,908)	2028	(2,035,158)
2030	20,678	2029	52,968
	$ (11,362,743)		$ (4,045,343)

STATE-MANAGED PENSION PLANS – PFRS

Regulatory Basis Disclosure –The New Jersey Division of Local Government Services allows counties to include in their annual audits the most recent available audited GASB 68 financial information published by the New Jersey Division of Pension and Benefits. As of the date of this report information for the period ended June 30, 2025 was not available, therefore the information dated June 30, 2024 is disclosed.

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Plan Description and Eligibility - The PFRS was established in July, 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firefighters and state police appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2010 and 2011. These changes resulted in various "tiers" which distinguish period of eligibility for enrollment. The delineation of these tiers is noted as follows:

- Tier 1: Employees enrolled before May 22, 2010.
- Tier 2: Employees enrolled after May 21, 2010 but before June 29, 2011.
- Tier 3: Employees enrolled after June 28, 2011.

There is no minimum salary requirement to enroll, regardless of tier. Pensionable salaries are limited to the social security maximum wage for Tier 2 and 3 employees and federal pensionable maximum for Tier 1 employees. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount.

Plan Benefits - Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions and Liability - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and their employers. Such contributions may be amended by State legislation. Employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits. The employee contributions include funding for basic retirement allowances and contributory death benefits. Contributions made by the County and its employees for the previous three years are as follows:

	County Contribution			Employee Contributions	
Year Ended Dec. 31,	Amount Paid or Charged	As a Percentage of Base Wages	Base Wages Subject to Contributions	Amount Contributed	As a Percentage of Base Wages
2025	$ 21,828,287.59	32.0%	$ 68,290,973.00	$ 6,829,103.57	10.00%
2024	$ 21,566,103.84	33.4%	$ 64,498,569.00	$ 6,449,743.30	10.00%
2023	$ 21,301,118.65	36.2%	$ 58,787,024.00	$ 5,879,132.64	10.00%

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001.

The amounts contributed on behalf of the County under this legislation are considered to be a special funding situation. As such, the State is treated as a non-employer contributing entity. Since the County does not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability to report in the financial statements of the County related to this legislation. However, the notes to the financial statements of the County must disclose the portion of the State's total proportionate share of the collective net pension liability that is associated with the County. At June 30, 2024 and 2023, the County's net pension liability for PFRS, including the special funding situation described above and changes in the County's proportionate share, was as follows:

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Year Ended June 30,	County (employer) Proportionate Share Rate	Proportionate Share Change	Net Pension Liability	State of N.J. (Nonemployer) On-Behalf of County	Total
2024	1.57317%	0.00631%	$ 162,454,941	$ 32,027,644	$ 194,482,585
2023	1.56686%	-0.06962%	$ 173,118,774	$ 31,899,148	$ 205,017,922

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability of the as of June 30, 2024 and 2023 calculated using the discount rate as disclosed as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate::

	2024		2023	
At:	Rate	Amount	Rate	Amount
1% Decrease	6.00%	$ 277,872,344	6.00%	$ 285,656,575
Current Discount Rate	7.00%	194,482,585	7.00%	205,017,922
1% Increase	8.00%	125,037,189	8.00%	137,865,191

Actuarial Assumptions - The total pension liability for the June 30, 2024 and June 30, 2023 measurement dates were determined by actuarial valuations as of July 1, 2023 and 2022, respectively, which were rolled forward to June 30, 2024 and 2023, respectively. These actuarial valuations used the following actuarial assumptions:

Measurement Date	Inflation Rate Price	Inflation Rate Wage	Salary Increases Based on Years of Service	Investment Rate of Return
June 30, 2024	2.75%	3.25%	3.25-16.25%	7.00%
June 30, 2023	2.75%	3.25%	3.25-16.25%	7.00%

Mortality – For the June 30, 2024 measurement date, employee mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection. The actuarial assumptions used in the July 1, 2023 valuation was based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

For the June 30, 2023 measurement dates, employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2022 valuation was based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024 and June 30, 2023) is determined by the State Treasurer, after consultation with the PFRS Board of Trustees, and the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS target asset allocations as of June 30, 2024 and 2023 are summarized in the following table:

	June 30, 2024		June 30, 2023	
Asset Class	Target Allocation	Long-Term Expected Rate of Return	Target Allocation	Long-Term Expected Rate of Return
U.S. Large-Cap Equity	24%	6.90%	*	*
U.S. Small/Mid Cap Equity	4%	7.40%	*	*
U.S. Equity	*	*	28.00%	8.98%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%	*	*
Non-U.S. Developed Small-Cap Equity	2.00%	7.50%	*	*
Non-U.S. Developed Markets Equity	*	*	12.75%	9.22%
Emerging Markets Large-Cap Equity	6.00%	9.60%	*	*
Emerging Markets Small-Cap Equity	1.50%	9.60%	*	*
Emerging Markets Equity	*	*	5.50%	11.13%
U.S. Treasury Bond	7.00%	4.10%	*	*
U.S. Corporate Bond	5.00%	5.90%	*	*
U.S. Mortgage-Backed Securities	5.00%	4.40%	*	*
U.S. Treasuries	*	*	4.00%	3.31%
Global Multisector Fixed Income	6.00%	6.50%	*	*
Cash Equivalents	2.00%	3.40%	2.00%	3.31%
Real Estate Core	3.00%	5.10%	*	*
Real Estate Non-Core	4.00%	6.50%	*	*
Real Estate	*	*	8.00%	8.58%
Infrastructure	3.00%	7.00%	*	*
Private Debt/Credit	8.00%	9.10%	8.00%	9.20%
Private Equity	10.00%	10.10%	13.00%	12.50%
Real Assets	*	*	3.00%	8.40%
High Yield	*	*	4.50%	6.97%
Investment Grade Credit	*	*	7.00%	5.19%
Risk Mitigation Strategies	*	*	3.00%	6.21%
International Small Cap Equity	*	*	1.25%	9.22%

Deferred Outflows and Inflows of Resources - The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the years ended June 30, 2024 and 2023:

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

	June 30, 2024			June 30, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	$ 256,810	$ (4,771,034)	$ (4,514,224)	$ 373,652	$ (11,689,666)	$ (11,316,014)
Difference Between Expected and Actual Experience	10,234,535	(5,561,549)	4,672,986	7,412,600	(8,256,230)	(843,630)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(1,271,506)	(1,271,506)	8,816,612	-	8,816,612
Changes in Proportion	12,290,488	(11,810,654)	479,834	16,782,859	(13,883,446)	2,899,413
	$ 22,781,833	$ (23,414,743)	$ (632,910)	$ 33,385,723	$ (33,829,342)	$ (443,619)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,		Year Ended June 30,	
2024	$ (4,475,732)	2023	$ (3,847,436)
2025	5,157,092	2024	(3,692,296)
2026	(1,294,368)	2025	5,940,528
2027	(601,071)	2026	(510,933)
2028	534,722	2027	182,365
Thereafter	46,447	Thereafter	18,648
	$ (632,910)		$ (443,619)

STATE-MANAGED PENSION PLANS – GENERAL

The State established and administers the Supplemental Annuity Collective Trust Fund (SACT) and Pension Adjustment Fund (PAF). The SACT is available to active members of several State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The State or local government employers do not appropriate funds to SACT. The PAF provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all State-sponsored pension systems except SACT. The cost of living increases for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for that system.

According to state statutes, all obligations of PERS and PFRS will be assumed by the State of New Jersey should the PERS and PFRS be terminated.

PERS and PFRS Fiduciary Net Position - The State of New Jersey issues publicly available financial reports that include the financial statements, required supplementary information and detailed information about the fiduciary net position of the PERS and PFRS. These financial statements were prepared in accordance with accounting principles generally accepted in the United States. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or accessed at www.state.nj.us/treasury/pensions.

DEFINED CONTRIBUTION RETIREMENT PROGRAM

The Defined Contribution Retirement Program (the "DCRP"), was established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. It provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Individuals eligible for membership in the DCRP include (a) state or local officials elected or appointed on or after July 1, 2007, (b) employees enrolled in PERS on or after July 1, 2007 or PFRS after May 21, 2010 who earn salary in excess of established maximum compensation limits and (c) employees otherwise eligible for PERS on or after November 2, 2008 or PFRS after May 21, 2010 that do not earn below the minimum PFRS or PERS salary but more than $5,000 annually. Participation in DCRP can be irrevocably waived if an official earns less than $5,000. Vesting occurs upon commencement of the third year of membership. Should the vesting period not be reached, contributions will be refunded to the appropriate contributing parties. Employer matching contributions and earnings are only available after the age of 55. Distributions render the member retired and ineligible for future participation in any State-administered plans. Otherwise, distributions are available at any time as lump sum, fixed term or life annuity. Members are covered by employer-paid life insurance in the amount of 1 ½ times the annual base salary on which DCRP contributions was based. Members are also eligible for employer-paid long-term disability coverage after one year of participation. Eligibility occurs after six consecutive months of total disability. Members would receive a regular monthly income benefit up to 60% of the base salary on which DCRP contributions were based during the 12 months preceding the onset of the disability, offset by any other periodic benefit the member may be receiving. Benefits will be paid until the age of 70 so long as the member remains disabled and has not begun receiving retirement annuity payments. DCRP activity for each of the previous three years was as follows:

Year	Employee Contributions		County Contributions	
Ended	Amount	Rate	Amount	Rate
Dec. 31, 2025	$ 192,318.28	5.50%	$ 104,900.88	3.0%
Dec. 31, 2024	$ 162,951.27	5.50%	$ 88,882.51	3.0%
Dec. 31, 2023	$ 152,110.92	5.50%	$ 82,969.59	3.0%

COUNTY OF HUDSON EMPLOYEES PENSION FUNDS

The County administers the County Employees' Pension Fund and the Court Attendants' Pension Fund, which are contributory pension plans which are closed to new memberships. The County also awards non-contributory pensions by resolution of the Board of County Commissioners for certain veterans and County employees who were not eligible to join other pension plans. The following is an analysis of pension contributions expended by the County for these plans expended in each of the last three years:

	2025	2024	2023
County Contributory Plans:			
County Employees' Pension Fund	$ 500,000.00	$ 500,000.00	$ 900,000.00
Court Attendants' Pension Fund	63,195.72	117,137.16	172,908.28
County Non-Contributory Plans:			
Non-Contributory County Pension Fund	1,885,476.03	1,939,749.05	2,131,422.79
Veterans' Pension Fund	-	-	-

DEFERRED COMPENSATION PLAN

The County has established a deferred compensation program for its employees under Section 457 of the Internal Revenue Code. The Plans are a tax-deferred supplemental retirement program that allows County employees to contribute a portion of their salaries, before federal taxes, to a retirement account. Contributions, or deferrals, are made through payroll deductions. Individuals are 100% vested. Distributions are not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely property and rights of the individual contributors and are not subject to the claims of the County's general creditors.

NOTE 7. POST-EMPLOYMENT BENEFITS

Regulatory Basis Disclosure –The New Jersey Division of Local Government Services allows counties to include in their annual audits the most recent available audited GASB 75 financial information published by the New Jersey Division of Pension and Benefits. As of the date of this report information for the period ended June 30, 2025 was not available, therefore the information dated June 30, 2024 is disclosed.

Plan Description – The County contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the Program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/ substance abuse and Medicare part B reimbursements to retirees and their covered dependents. The County further adopted provisions of Chapter 48 (NJSA 52:14-17.38) for certain of its retirees who have achieved 25 years of service but were hired after August 13, 2015. The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. The County will pay the cost of Health Benefits Insurance for retirees and their dependents, if the retiree:

1. Receives retirement benefits from a state or locally administered retirement system; and
2. Has 25 or more years of service credited in that retirement system and was hired on or before August 13, 2015; or
3. Has 25 or more years of service credited in that retirement system and at least ten years of actual service with the County at the time of retirement and was hired after August 13, 2015; or
4. Retired on an approved Disability Retirement (regardless of years of service).

Employees who do not qualify for County-paid Health Benefits insurance at retirement may be eligible to continue Health Benefits insurance at their own expense upon retirement. Employees who elect Deferred Retirement are not eligible for these benefits.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at: *www.state.nj.us/treasury/pensions.*

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an accrual basis. Contributions to pay for health premiums of participating County retirees in the SHBP are billed to the County on a monthly basis. Payments are made through an annual appropriation in the line item "Insurance – Group Plans for Employees". The County contributions to SHBP for the years ended December 31, 2025, 2024 and 2023 were $19,726,973.88, $17,048,090.36, and $15,431,443.30, respectively, which equaled the required contributions for each year.

Significant Legislation - Chapter 78, P.L. 2011, effective June 28, 2011, established new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. For those employed on or after June 28, 2011, the 4-year phase-in does not apply and contributions based on the full percentage rate of contribution are required.

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Under Chapter 78, certain future retirees eligible for employee-paid health care coverage at retirement will also be required to pay a percentage of the cost of their medical coverage determined on the basis of their annual retirement benefit.

Chapter 2, P.L. 2010, effective May 21, 2010, requires a minimum contribution of 1.5% of base salary toward the cost of health benefits coverage by all active public employees. Employees who become a member on or after the law's effective date would be required to pay in retirement 1.5% of their pension benefit toward the cost of health care coverage under the SHBP.

GASB Statement 75, *Accounting and financial Reporting for Postemployment Benefit Plans Other Than Pensions,* ("GASB 75"), is effective for fiscal years beginning after June 15, 2017, and replaces the requirements of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pensions.* Under GASB 75, the County would recognize the cost of other postemployment benefits (OPEB) in the year when the employee services are received and report the accumulated liability for OPEB on the face of its financial statements. Under the regulatory basis of accounting prescribed by the Division, the County is not required to recognize the cost of OPEB in the year when the employee services were received, or report the accumulated liability on the face of its financial statements. However, disclosure of such amounts is required.

Retiree Contributions - Future retirees who do not fall under the grandfathering provisions of Chapter 78 of the 2011 Pension and Health Benefit Reforms will be required to contribute to the costs of their retiree health care. Participant contributions are based on salary level and pension benefit amounts and are phased in as a percentage based on salary or pension earnings. Grandfathered participants include those with greater than 20 years of service as of June 28, 2011 who retire with 25 years of service with the County, or who reached age 62 as of that date with 15 years of service will receive benefits at no cost to the participant.

Net OPEB Obligation – The components of the net OPEB liability of the County at June 30, 2024 and 2023 were as follows:

	2024	2023
County's Share of:		
Total OPEB Liability	$ 742,748,732	$ 638,975,493
OPEB Plan fiduciary net position	(6,636,956)	(5,059,111)
Net OPEB liability	$ 749,385,688	$ 644,034,604
Plan fiduciary net position as a percentage of total OPEB liability	-0.89%	-0.79%

Actuarial Assumptions - The total OPEB liability for the June 30, 2024 and June 30, 2023 measurement dates were determined by actuarial valuations as of July 1, 2023 and 2022, respectively, which were rolled forward to June 30, 2024 and 2023, respectively. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in.

	2024	2023
Inflation Rate	not noted	not noted
Salary Increases:	*based on years of service*	*based on years of service*
PERS All Future Years	2.75%-6.55%	2.75%-6.55%
PFRS All Future Years	3.25%-16.25%	3.25%-16.25%

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021. Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

PERS mortality rates were based on the Pub-2010 General classification Headcount-Weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2021 scale for June 30, 2024 and 2023. PFRS mortality rates were based on the Pub-2010 Safety classification Headcount-Weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2021 scale for June 30, 2024 and 2023.

100% of active members are considered to participate in the Plan upon retirement.

Discount Rate - The discount rate for June 30, 2024 and June 30, 2023 was 3.93% and 3.65%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the County's share of the SHBP net OPEB liability as of June 30, 2023 and 2022, calculated using the discount rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	2024		2023	
At:	Rate	Amount	Rate	Amount
1% Decrease	2.93%	$ 872,953,562	2.65%	$ 745,997,354
Current Discount Rate	3.93%	749,385,688	3.65%	644,034,604
1% Increase	4.93%	650,418,802	4.65%	562,021,298

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the County's net OPEB liability as of June 30, 2024 and 2023, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	2024	2023
At:		
1% Decrease	$ 633,827,332	$ 547,353,633
Current Healthcare Cost Trend Rate	749,385,688	644,034,604
1% Increase	897,961,259	767,815,793

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Deferred Outflows and Deferred Inflows of Resources - The OPEB expense and deferred outflows and deferred inflows of resources at June 30, 2024 and 2023 were as follows:

	June 30, 2024			June 30, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	$ 125,283,100	$ 124,393,294	$ 889,806	$ 83,426,645	$ 182,047,963	$ (98,621,318)
Difference Between Expected and Actual Experience	37,951,090	126,971,711	(89,020,621)	29,699,553	174,898,753	(145,199,200)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	339,222	(339,222)	-	106,268	(106,268)
Changes in Proportion	122,986,259	43,197,976	79,788,283	150,909,964	41,976,727	108,933,237
	$ 286,220,449	$ 294,902,203	$ (8,681,754)	$ 264,036,162	$ 399,029,711	$ (134,993,549)

The amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,		Year Ended June 30,	
2025	$ (4,616,242)	2024	$ (2,364,806)
2026	(1,987,423)	2025	(2,367,917)
2027	(341,528)	2026	(2,370,759)
2028	(1,820,805)	2027	(1,692,966)
2029	(1,160,032)	2028	(284,600)
Thereafter	1,244,276	Thereafter	399,294
	$ (8,681,754)		$ (134,993,549)

OPEB Expense - The components of allocable OPEB expense, which exclude OPEB expense related to specific liabilities of individual employers, for the years ending June 30, 2024 and June 30, 2023 are as follows**:**

	2024	2023
Proportionate Share of Allocable Allocable Plan OPEB (Benefit) Expense	$ (8,733,233)	$ (20,767,012)
Net Amortizations of Deferred Amounts from Changes in Proportion	7,119,371	9,910,953
OPEB (benefit) expense	$ (1,613,862)	$ (10,856,060)

NOTE 8. COMPENSATED ABSENCES

County policy permits employees to carry over one year's accrued unused vacation days and to carry over all unused sick days. The maximum payment for unused sick days is $10,000. This payment is made only to employees eligible for retirement and is based upon one-half of their accumulated sick leave. Should an employee die after having met the age and service requirements for a regular pension, the compensation for unused sick leave will be paid to the employee's estate. As of December 31, 2025 and 2024, the total accumulated absence liability was $39,239,111.97 and $36,659,564.30, respectively. Under accounting principles prescribed for counties by the Division, such amount is not reported either as an expenditure or liability. The County pays for these costs on a pay-as-you-go basis and charges such costs to the Salaries and Wages line of the respective departments from which the costs derived. As of December 31, 2025, the County has reserved a total of $4,376,960.74 for the future payment of compensated absences in the Current Fund and Trust Fund combined. As of December 31, 2024, the County has reserved a total of $5,008,322.49 for the future payment of compensated absences in the Current Fund and Trust Fund combined.

NOTE 9. RISK MANAGEMENT

Disaster Recovery - The County has prepared an internal disaster recovery plan in an effort to protect its financial processes and data in the event an unforeseen disaster should occur. Three external servers, each at a different location, are being maintained and updated daily. A fourth server and location are currently under construction. Daily activity is updated to the external servers daily. In addition, a software program has been integrated which synchronizes data on a daily basis for storage on the external servers, and a second program which can restore said data from the external servers should the need arise. In addition, ADP provides external storage for payroll data and provides disks to the County of such information.

Insurance Coverage - The County established a self-insurance program in accordance with New Jersey Statute Chapter 40:10-6. The Chapter enables the governing body of any local unit to create a fund to provide insurance coverage for its exposure to a wide variety of property casualty risks, including property damage caused to any of the unit's property, motor vehicles, equipment or apparatus; liability resulting from the use or operation of such motor vehicles, equipment or apparatus; liability for the unit's negligence, including that of its officers, employees and servants and workers' compensation obligations. The County self-insures against such claims, including tort lawsuits, civil lawsuits, civil rights and worker's compensation. The County maintains a self-insurance fund, which at December 31, 2025 and 2024 held $205,225.46 and $4,705,119.25, respectively. The County contributed $12,400,000 and $9,800,000, respectively, to the fund during the years ended December 31, 2025 and 2024.

NOTE 10. FIXED ASSETS

The County had the following investment balance and activity in general fixed assets for and as of the years ended December 31, 2025.

	Balance: Dec. 31, 2024	Additions	Disposals	Balance: Dec. 31, 2025
Land, Easements and Right of Way	$ 103,390,756.49	$ -	$ -	$ 103,390,756.49
Land Improvements	4,900,162.39	756,255.61	6,294.00	5,650,124.00
Construction / Buildings	334,779,789.06	102,102.92	150,294.44	334,731,597.54
Machinery and Equipment	128,410,595.64	8,625,555.65	3,325,324.33	133,710,826.96
Licensed Vehicles	36,836,105.14	2,418,077.68	1,890,374.20	37,363,808.62
Total	$ 608,317,408.72	$ 11,901,991.86	$ 5,372,286.97	$ 614,847,113.61

Activity for the year ended December 31, 2024, is not presented because the City changed the characterization of its fixed asset categories, resulting primarily in reclassifications among categories that would not provide meaningful information.

In accordance with accounting practices prescribed by the Division, and as further detailed in Note 1, no depreciation has been provided for and fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

NOTE 11. INTERFUND TRANSACTIONS

The County has various transactions by and between its individual funds. Certain accounts of the Trust and Capital Funds earn interest which is required to be recorded as revenue in the Current Fund budget. Other transactions include budget appropriations in the Current Fund which are required to be turned over to the Federal and State Grant, Trust and Capital Funds. All these transfers are routine and are consistent with the activities of the funds making the transfers.

Transfers by and between the County's funds during the years ended December 31, 2025 and 2024 consisted of the following:

	2025		2024	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Capital	$ 19,363,323.71	$ 20,277,596.57	$ 32,117,763.71	$ 26,112,690.95
Other Trust	29,377,296.07	29,800,394.49	29,200,595.60	28,931,002.11
Grants Fund	56,713,677.60	55,760,600.52	113,713,953.87	125,430,552.49
Current Fund	103,791,668.66	103,407,374.46	167,073,086.31	161,631,153.94
Affordable Housing Utility Operating	-	163.26	-	163.11
Affordable Housing Utility Capital	163.26	-	163.11	-
	$ 209,246,129.30	$ 209,246,129.30	$ 342,105,562.60	$ 342,105,562.60

Current Fund and Utility Operating interfunds receivable are fully reserved and recognized as credits to operations in the year the interfunds are received in cash. Interfunds receivable in the Trust, General Capital and Utility Capital Funds are not reserved. As of December 31, 2025 and 2024, the following interfund balances remained on the County's records for the reasons as stated.

2025	2024	Due From	Due To	Purpose
$ 666.50	$ 503.24	Utility Capital	Utility Operating	Interest on Deposits
152,661.14	113,856.92	General Capital	Current Fund	Interest on Deposits
316,434.82	739,533.24	Trust Fund	Current Fund	Advances
-	953,077.08	General Capital	Grant Fund	Advances

NOTE 12. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

GASB Statement No. 96, Subscription-Based Information Technology Arrangements ("SBITAs"), establishes accounting and financial reporting requirements for subscription contracts that provide the right to use another party's information technology software, either alone or in combination with tangible capital assets.

The County has begun evaluating its software licensing, hosting, cloud-based services, and other technology-related contractual arrangements to determine whether any arrangements meet the definition of a SBITA under GASB Statement No. 96.

Due to the decentralized nature of certain technology procurement and software administration functions, management's review of potentially applicable arrangements remains ongoing. Based upon information presently available, management has not identified any material subscription-based information technology arrangements requiring recognition in the accompanying regulatory-basis financial statements. However, additional arrangements may be identified through future reviews of departmental contracts and vendor relationships.

Under the regulatory basis of accounting prescribed by the Division of Local Government Services, liabilities and right-to-use subscription assets that may otherwise be recognized under generally accepted accounting principles are not required to be recorded in the accompanying financial statements. Management will continue to evaluate technology-related contracts and subscription arrangements for future reporting periods.

NOTE 13. COMMITMENTS AND CONTINGENCIES

The County has various lease commitments and installment purchase agreements which are not subject to statutory debt limitations. Under GASB Statement No. 87, lease commitments, including those with bargain purchase options, are required to be recorded as lease liabilities at the present value of future lease payments, offset with a tangible asset or right-of-use asset as applicable. Commitments for the purchase and ownership of capital assets are recorded as financed purchases reflected in the amount of the liability and corresponding asset. In accordance with accounting practices prescribed by the Division, leases for operating expenditures are not shown as liabilities and accordingly no corresponding asset is recorded. Leases for non-operating expenditures for the acquisition of assets with useful lives exceeding five years may be recorded at historical cost as capital leases or installment purchase agreements payable with offsetting deferred charges if there is either a transfer of ownership of property or an option for ownership**.** The future minimum payments for leases and installment purchases are identified on the pages that follow.

CAPITAL LEASE PROGRAM OBLIGATIONS

Hudson County Lease – 1992 Facility Lease Revenue Bonds - On December 1, 1992, the HCIA issued Facility Lease Revenue Bonds (the 1992 Bonds) in the aggregate principal amount of $112,700,000. The 1992 Bonds were issued to provide funds for (a) the costs of acquisition, construction, installation and equipping of: (i) a 590-bed long-term care facility to be located in the County; (ii) a 66-bed youth house facility; (iii) a police and fire training academy; and (iv)other public facilities to be provided to and used by the County, including County administrative offices (the facilities described in items (i) through (iv) are collectively referred to as the 1992 Facilities) for lease to the County; (b) funding capitalized interest on the 1992 Bonds; and (c) the payment of costs of issuing the 1992 Bonds.

In connection with the issuance of the 1992 Bonds by the HCIA, the HCIA and the County entered into a lease agreement providing for, among other things, the lease of the real property and the construction thereon of the 1992 Facilities by the HCIA, and upon acquisition, construction, installation or equipping of the 1992 Facilities, the payment of rental payments to the HCIA by the County for the County's lease of the 1992 Facilities. The construction and equipping of the new 590-bed long term care facility (hereafter referred to as the New Hospital Facility) was planned to combine the operations at both the Meadowview Nursing Center and the B.S. Pollak Hospital (together, the Hospitals). The Hospitals were acquired and improved by the Authority with the proceeds of the 1992 Bonds and leased back to the County.

In 1996 the construction of the New Hospital Facility was discontinued and the County and the HCIA determined to transfer the operation, and ultimately the ownership, of the Hospitals to Progressive Health Care of Hudson County Inc. (Progressive), a private company, pursuant to a lease and purchase agreement (the Transfer Agreement). The conveyance of the Hospitals to Progressive resulted in private use of the Hospitals. In a Letter Ruling dated November 19, 1996 (the Letter Ruling), the IRS determined that in order to effectuate the transfer of the Hospitals to Progressive without adverse tax consequences, the HCIA would be required to make a tender offer to holders of $26,735,000 of the 1992 Bonds, and defease any of the 1992 Bonds for which the tender offer was made but which were not acquired in the tender offer with moneys other than tax-exempt bond proceeds, at a rate restricted to the yield on the 1992 Bonds.

On February 14, 1997, the HCIA received and accepted for purchase $21,360,000 of the 1992 Bonds. The HCIA defeased the $5,375,000 balance of its 1992 Bonds in accordance with the IRS Letter ruling, for a total issue of $26,735,000. The HCIA used a portion of the 1997 Bonds to (i) pay the tender price to the holders of the Tendered Bonds and (ii) defease the bonds.

NOTE 13. COMMITMENTS AND CONTINGENCIES (continued)

On August 1, 1998, the HCIA issued $91,575,000 of Facility Lease Revenue Refunding Bonds. The series 1998 Bonds were issued to advance refund all of the HCIA's outstanding $85,635,000 1992 bonds and pay the costs of issuance of the series 1998 Bonds. The series 1998 bonds are direct and special obligations of the authority payable from and secured by the revenues of the HCIA which are derived from lease of facilities to the County (from County Rental Payments); investment income from related funds; and other related monies, securities and funds.

On March 12, 2004, the HCIA entered into a forward bond purchase contract for the benefit of the County to purchase up to $71,520,000 of the outstanding 1998 bonds between October 1, 2008 and October 1, 2010 through the issuance of bonds (the "Future Bonds") during that period, provided that the debt service on the 1998 Bonds purchased. The HCIA exercised its right to issue the Future Bonds.

On November 30, 2010, the HCIA, at the consent of the County, as lessee, issued the $65,900,000 Facility Lease Revenue Refunding Bonds, Series 2010 to call all of the outstanding $91,575,000 1998 Bonds. The 2010 Bonds are guaranteed by the County and mature annually through 2025. The remaining debt service on the 1997 Bonds facility lease, with interest rates ranging from 7.3% to 7.7% and the 2010 Bonds facility lease, with interest rates ranging from 5.25% to 5.40%, was fully matured and paid during the year ended December 31, 2025.

	Total Lease	Series 1997		Series 2010	
Year	Payment	Principal	Interest	Principal	Interest
2025	$ 2,518,530.00	$ 2,345,000.00	$ 173,530.00	$ 6,110,000.00	$ 329,940.00
	$ 2,518,530.00	$ 2,345,000.00	$ 173,530.00	$ 6,110,000.00	$ 329,940.00

Hudson County Improvement Authority 2005 Secured Lease Revenue Bonds - On April 1, 2005, the HCIA issued County Secured Lease Revenue Bonds in the amount of $29,505,000. The proceeds of the bonds will be used to (a) finance the acquisition, renovation and improvements to the Block Drug Building and the Block Drug Building Site (b) finance the acquisition, renovation and improvement to the Additional County Site (c) pay 12 months capitalized interest on the 2005 bonds, (d) pay costs of issuance associated with the issuance of the Series 2005 bonds, and (e) establish a bond reserve fund.

The Series 2005 Bonds are special obligations of the HCIA payable from and secured by, (i) Revenues of the HCIA which are derived from: (a) the lease of the Facilities to the County pursuant to the provisions of a lease agreement by and between the HCIA and the County dated as of April 1, 2005(the "Lease Agreement"), under which the County is obligated to make Rental Payments sufficient, among other things, to pay debt service on the Series 2005 Bonds, (b) investment income derived from funds held under the Resolution,(ii) an assignment of the lease Agreement to the Trustee for the Series 2005 Bonds by the HCIA, and (iii) by all monies, securities and funds held or set aside, or to be held or set aside pursuant to the Resolution (except monies in the Rebate Fund which are required to be rebated to the United States Government pursuant to the provisions of the Code in order to ensure that interest on the Series 2005 Bonds is not includable in gross income for federal income tax purposes).

On January 15, 2013, the HCIA issued $25,460,000 Lease Revenue Refunding Bonds, Series 203 (Hudson County Plaza Refunding Project) to provide funds to advance refund $24,010,000 of the outstanding 2005 Bonds, and to pay associated costs of issuance. Under the terms of the amended financing, the HCIA leased back its interest in this project to the County, and the County is obligated to make rental payments to the HCIA in amounts sufficient to pay the debt service on the Series 2013 Refunding Bonds when due, as well as other expenses of the HCIA and Trustee.

NOTE 13. COMMITMENTS AND CONTINGENCIES (continued)

The 2013 Bonds consist of (i) serial bonds in the amount of $14,195,000 bearing interest rates ranging from 2.00% to 5.00% a year maturing from 2014 to 2028 in varying amounts ranging from $75,000 to $1,380,000, (ii) $5,935,000 term bond bearing interest at 3.22% a year, subject to mandatory sinking fund redemption from 2029 to 2032 (final maturity) in varying amounts from $1,420,000 to $1,550,000, (iii) $4,935,000 term bond bearing interest at 3.5% a year, subject to mandatory sinking fund redemption from 2033 to 2035 (final maturity) in varying amounts from $1,595,000 to $1,695,000. The following is an analysis of the lease payments to be made by the County through maturity:

	Total Lease	Series 2013	
Year	Payment	Principal	Interest
2026	$ 1,742,137.50	$ 1,290,000.00	$ 452,137.50
2027	1,734,862.50	1,335,000.00	399,862.50
2028	1,739,137.50	1,380,000.00	359,137.50
2029	1,737,137.50	1,420,000.00	317,137.50
2030	1,733,937.50	1,460,000.00	273,937.50
2031-2035	8,646,931.25	7,990,000.00	656,931.25
	$ 17,334,143.75	$ 14,875,000.00	$ 2,459,143.75

Hudson County Improvement Authority Secured Lease Revenue Bonds Series 2007 - On July 11, 2007, the HCIA issued County Secured Lease Revenue Bonds in the amount of $27,490,000 at interest rates of 4.0%-5.0%. The proceeds of the bonds will be used to (a) finance the renovation of the facilities to house the relocation of a number of social services agencies that are currently leasing space from private owners,(b) pay 12 months capitalized interest on the 2007 bonds, (c) pay costs of issuance associated with the issuance of the Series 2007 bonds, and (d) establish a bond reserve fund. These Lease Revenue Bonds were subsequently partially refunded as noted in the following two paragraphs.

HCIA Secured Lease Revenue Refunding Bonds, Series 2015 (Hudson County Plaza Completion Project Refunding Project) - On June 11, 2015 the HCIA issued $17,335,000 Lease Revenue Refunding Bonds, Series 2015 to provide funds to advance refund a portion of the HCIA's outstanding County Secured Lease Revenue Bonds Series 2007 (County Services Building Completion Project). The Refunding Plan calls for the Advance refunding of the Refunded Bonds, together with the interest payable thereon April 1, 2017. The Refunding Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturities and to pay certain costs of issuance of the Series 2015 Refunding Bonds. Under the terms of the amended financing, the HCIA leased back its interest in the Project to the County, and the County is obligated to make rental payments to the HCIA in amounts sufficient to pay the debt service on the Series 2015 Refunding Bonds when due and other expenses of the HCIA and the Trustee. See also the next paragraph.

County Secured Lease Revenue Refunding Bonds, Series 2016 (Hudson County Plaza Completion Project Refunding Project) - On September 15, 2016 the HCIA issued its $4,925,000 Lease Revenue Refunding Bonds, Series 2016 (Hudson County Plaza Completion Refunding Project) (the "Series 2016 Refunding Bonds) to provide funds to advance refund a portion of the HCIA's outstanding County Secured Lease Revenue Bonds Series 2007 (County Services Building Completion Project), the Refunding Plan calls for the Advance refunding of the Refunded Bonds, together with the interest payable thereon April 1, 2017. The Refunding Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturities and pay certain costs of issuance of the Series 2016 Refunding Bonds. Under the terms of the amended financing, the Authority leased back its interest in the Project to the County, and the County is obligated to make rental payments to the Authority in amounts sufficient to pay the debt service on the Series 2016 Refunding Bonds when due and other expenses of the Authority and the Trustee.

NOTE 13. COMMITMENTS AND CONTINGENCIES (continued)

The 2016 Bonds consist of serial bonds in the amount of $1,580,000 bearing interest rate of 5.00% a year maturing in 2033 and $3,345,000 term bond bearing interest at 3.00% a year, subject to mandatory sinking fund redemption from 2034 to 2035 (final maturity) in varying amounts from $1,645,000 to $1,700,000. The table that follows is an analysis of the lease payments to be made by the County through maturity.

	Total Lease	Series 2016		Series 2015	
Year	Payment	Principal	Interest	Principal	Interest
2026	$ 1,701,187.50	$ -	$ 179,350.00	$ 1,200,000.00	$ 321,837.50
2027	1,693,487.50	-	179,350.00	1,235,000.00	279,137.50
2028	1,697,987.50	-	179,350.00	1,290,000.00	228,637.50
2029	1,699,575.00	-	179,350.00	1,340,000.00	180,225.00
2030	1,692,812.50	-	179,350.00	1,380,000.00	133,462.50
2031-2035	8,550,068.75	4,925,000.00	599,725.00	2,915,000.00	110,343.75
	$ 17,035,118.75	$ 4,925,000.00	$ 1,496,475.00	$ 9,360,000.00	$ 1,253,643.75

HCIA Secured Lease Revenue Bonds Series 2016 (Hudson County Vocational –Technical Schools Project) - On April 27, 2016, the HCIA issued $160,000,000 in County Secured Lease Revenue Bonds Series 2016 (Hudson County Vocational – Technical Schools Project) to finance the design, construction, furnishing and equipping of a new Hudson County Vocational-Technical School, to pay Capitalized Interest on the Bonds from their dated date April 27, 2016 to and including May 1, 2018 and pay certain costs of issuance the Bonds. Under the terms of the financing , the HCIA leased back its interest in the Project to the County , and the County is obligated to make rental payments to the authority in amounts sufficient to pay the debt service on the 2016 bonds when due and other expenses of the Authority and the Trustee.

The Series 2016 Bonds consist of serial bonds in the amount of $55,705,000, bearing interest rates ranging from 4.50% to 5.00% maturing in annual amounts ranging from $1,980,000 in 2019 to $4,540,000 in 2036, $26,445,000 term bonds bearing interest at 5.00% a year, subject to annual mandatory sinking fund redemption 2037 to 2041 (final maturity) in varying amounts ranging from $4,775,000 to $5,830,000, $33,960,000, term bonds bearing interest at 5.00% a year subject to annual mandatory sinking fund redemption from 2042 to 2046 (final maturity) in varying amounts ranging from $6,130,000 to $7,490,000 and $43,890,000 term bonds bearing interest at 5.25% a year subject to mandatory sinking fund redemption from 2047 to 2051 (final maturity) in varying amounts from $7,880,000 to $9,725,000. The remaining debt service requirements on these bonds are as follows:

Year	Total Lease Payment	Principal	Interest
2026	$ 9,981,350.00	$ 2,800,000.00	$ 7,181,350.00
2027	9,979,987.50	2,935,000.00	7,044,987.50
2028	9,976,750.00	3,075,000.00	6,901,750.00
2029	9,979,000.00	3,235,000.00	6,744,000.00
2030	9,980,575.00	3,390,000.00	6,590,575.00
2031-2035	49,903,150.00	19,605,000.00	30,298,150.00
2036-2040	49,893,500.00	25,155,000.00	24,738,500.00
2041-2045	49,892,648.00	32,300,000.00	17,592,648.00
2046-2050	49,893,781.25	41,655,000.00	8,238,781.25
2051	9,980,281.25	9,725,000.00	255,281.25
	$ 259,461,023.00	$ 143,875,000.00	$ 115,586,023.00

NOTE 13. COMMITMENTS AND CONTINGENCIES (continued)

HCIA Secured Lease Revenue Bonds Series 2023 (Bayonne High School Project) - On June 1, 2023, the HCIA issued $21,860,000 in County Secured Lease Revenue Bonds Series 2023 (Bayonne High School Project) to finance the design, construction and equipping of the school "Facilities" (refer to following paragraphs), pay capitalized interest on the Bonds and pay certain costs of issuance.

Description of the Facilities - The Board of Education of the Hudson County Schools of Technology (the "HCST"), in conjunction with the County, has determined that the implementation of its goals, purposes and curriculum will be best served via the construction of a new two-story +/- 37,690 square foot facility, along with the renovation of a portion of the City's existing high school facility, to provide Career and Technical Educational programs. The facility to be constructed and renovated will be part of the HCST and will be located on land owned by the Board of Education of the City of, located at 669 Avenue A, Block 160, Lot 1.02 on the official tax map of the City (the "Project Site"). The construction and renovation will include the necessary furnishings, equipment, parking, administrative offices, classroom space and related amenities, and all work related and incidental thereto. The Facilities will operate as a new vocational high school academy with new programs of study in welding, HVAC, electrical, plumbing, carpentry, and cosmetology. The building will house administrative services, student services and CTE education. The Facilities will be on a subdivided site within the existing Bayonne High School campus. The new vocational school will be able to accommodate approximately 400 students per session.

The County's obligation is to make rental payments and pay other amounts due under the lease agreement, and to perform its obligations thereunder. The County has no rights of set-off, recoupment or counterclaim. These rental payments, if not made from other sources, shall be payable from the levy of ad valorem taxes upon all the taxable property in the County without limitation as to rate or amount. The remaining debt service requirements on these bonds, in the form of rental payments, are as follows:

	Total Lease	Series 2023	
Year	Payment	Principal	Interest
2026	$ 1,460,400.00	$ 480,000.00	$ 980,400.00
2027	1,455,900.00	500,000.00	955,900.00
2028	1,460,150.00	530,000.00	930,150.00
2029	1,458,025.00	555,000.00	903,025.00
2030	1,459,525.00	585,000.00	874,525.00
2031-2035	7,295,875.00	3,405,000.00	3,890,875.00
2036-2040	7,293,750.00	4,370,000.00	2,923,750.00
2041-2045	7,292,525.00	5,585,000.00	1,707,525.00
2046-2049	5,837,300.00	5,395,000.00	442,300.00
	$ 35,013,450.00	$ 21,405,000.00	$ 13,608,450.00

Lincoln Park Golf Course Project – The County also entered into a lease agreement with the HCIA as part of an agreement regarding the financing of the Lincoln Park Golf Course Project. Refer to Note 4 "County-Guaranteed Debt" for further description of the matter.

Casino-in-the-Park Project - The County also entered into two lease agreements with the HCIA as part of agreements regarding the financing of the Casino-in-the-Park Project. Refer to Note 4 "County-Guaranteed Debt" for further description of the matter.

Courthouse Project - The County also entered into a lease agreement with the HCIA as part of an agreement regarding the financing of the Hudson County Courthouse Project. Refer to Note 4 "County-Guaranteed Debt" for further description of the matter.

NOTE 13. COMMITMENTS AND CONTINGENCIES (continued)

ARBITRAGE REBATE

The County is subject Section 148 of Internal Revenue Code, which was enacted to minimize the arbitrage benefits from investing gross proceeds of tax-exempt bonds in higher yielding investments and to remove the arbitrage incentives to issue more bonds, to issue bonds earlier, or to leave bonds outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes for which the bonds were issued. The County has obtained outside professional services to calculate and monitor the arbitrage requirements for certain bond issues. At December 31, 2025 and 2024 the County has reserved $2,450,000 to meet potential arbitrage requirements.

SUBSIDY OF RECOVERY ZONE BONDS

During the year ended December 31, 2011, the County issued General Obligation Recovery Zone Economic Development Bonds in the amount of $20,700,000. By designating the Bonds as "Recovery Zone Economic Development Bonds," the County, through the HCIA, will receive cash subsidy payments from the United States Treasury equal to 45 percent of the interest payable on the Bonds on each interest payment date. Over the course of the bonds, through maturity in 2030, the County is due to receive $7,701,988.81 in subsidies in support of interest payable.

GRANT PROGRAMS

The County participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. The state and federal grants received and expended in the years ended December 31, 2018 and 2017 were subject to Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, which mandate that grant revenues and expenditures be audited in conjunction with the County's annual audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. These grantor agencies reserve the right to conduct additional audits of the County's grant programs for economy, efficiency and program results. As a result of these audits, costs previously reimbursed could become disallowed and require repayment by the County to the grantor agency. As of December 31, 2025 and 2024, the County does not believe that any material liabilities will result from such audits, however, certain matters concerning the County's Community Development Block Grant (CDBG) grants identified by Federal monitoring are described in more detail below.

LITIGATION

The County, its officers and employees, are Defendant in a number of lawsuits, including but not limited to, lawsuits arising out of alleged torts by the County and its employees, alleged breaches of contract and alleged violations of civil rights. The County is engaged in a number of activities, such as police protection and public works construction, which could result in future litigation with a possible significant monetary exposure to the County. It should be noted that the County is self-insured and maintains a "Settlement and Judgement Fund" and an excess insurance policy with a $500,000/$750,000 loss retention, based upon the year in which it was filed.

NOTE 13. COMMITMENTS AND CONTINGENCIES (continued)

Significant matters identified by County Counsel include:

- An employment-related civil rights action alleging discrimination, retaliation, and First Amendment violations involving County Correctional Center employees and an outside entity. While the claims against the County have been dismissed, plaintiffs are seeking to reinstate the action. Counsel has indicated potential exposure in excess of $750,000.
- An employment retaliation action alleging adverse actions in connection with legal representation provided to County employees. A motion for summary judgment is currently pending. Counsel has estimated potential exposure of up to $750,000.
- An employment discrimination and retaliation matter involving allegations of gender discrimination by multiple County employees. Counsel has indicated potential exposure in excess of $750,000.
- A negligence action alleging deficiencies in the hiring, training, supervision, and psychological evaluation of a former County Correctional Officer whose off-duty conduct resulted in a fatality. Counsel has indicated potential exposure in excess of $750,000.
- A wrongful death action arising from the death of an inmate while housed at the County Correctional Facility, alleging negligence on the part of the County. Counsel has indicated potential exposure in excess of $750,000. (The audit team should consider confirming this description with County Counsel, as the narrative in the legal letter appears internally inconsistent.)
- A personal injury action alleging the County failed to address a dangerous condition in a County park that resulted in injuries to an individual. Counsel has indicated potential exposure in excess of $750,000.

NOTE 14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 25, 2026, the date which the financial statements were available to be issued.

Issuance of Debt

$210,954,561 Bond Anticipation Notes, Series 2026 – On February 25, 2026, the County sold $210,954,561 of Bond Anticipation Notes maturing February 24, 2027 with an interest rate of 4%. These notes are being issued to renew the Series 2025 $210,954,561 Bond Anticipation Notes, which were issued to finance various capital, road, bridge, public property and park improvements and the construction of a tower project for Hudson County Community College.

$8,134,000 General Obligation Bonds, Series 2026 – The County anticipates selling $8,134,000 of Bonds on July 1, 2026, bearing interest rates ranging from 2.0% to 4.0%. Payments would be expected to be due annually on July 1 from 2027 through 2046. The annual payments would range from $324,000 to $500,000. $1,500,000 of the bonds are County Vocational-Technical Schools Bonds (issued pursuant to the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as Amended), for various improvements to the Hudson County Schools of Technology as authorized by County Ordinance No. 563-9-2025 adopted on September 25, 2025. The remaining $6,634,000 of the bonds are County College Bonds (issued pursuant to the County College Bond Act, 1971 N.J. Laws c. 12, as Amended), for various improvements to the Hudson County Community College as authorized by County Ordinance No. 564-9-2025 adopted on September 25, 2025.

NOTE 14. SUBSEQUENT EVENTS (continued)

Guaranteed Debt

$53,624,000 HCIA County-Guaranteed Pooled Notes, Series 2026A - On March 2, 2026, the HCIA issued $53,624,000 County Guaranteed Pool Notes Series 2026A maturing March 1, 2027. $47,624,000 of these notes are Tax-Exempt Notes and bear an interest rate of 3.5%. $6,000,000 of these notes are Federally Taxable and bear an interest rate of 4.375%. These notes constitute direct, special, and limited obligations of the HCIA with a County Guaranty that remains in effect until these notes are paid in full.

$112,995,517 HCIA County-Secured Lease Revenue Bonds, Series 2026B – On June 12, 2026, the HCIA issued $112,995,517 County Guaranteed Pool Notes Series 2026B maturing June 11, 2027. $96,190,517 of these notes are Tax-Exempt Notes and bear an interest rate of 4.0%. $16,805,000 of these notes are Federally Taxable and bear an interest rate of 4.65%. These notes constitute direct, special, and limited obligations of the HCIA with a County Guaranty that remains in effect until these notes are paid in full.

$6,000,000 HCIA County-Guaranteed Bonds – On June 11, 2026, the County introduced an ordinance authorizing the guaranty of the payment of the principal of and interest on not exceeding $6,000,000 aggregate principal amount of County-Guaranteed Revenue Bonds issued by the Hudson County Improvement Authority for the purpose of providing additional security therefor. The public hearing on the ordinance is scheduled for July 16, 2026. The date on which this ordinance will be brought up for vote to adopt is not yet known as of the date of this report.

Improvement Authorization Ordinances

$12,542,089 Various 2026 Road and Bridge Improvements – On February 26, 2026 the County adopted Ordinance No. 114-2-2026 providing for various 2026 Road and Bridge Improvements and appropriating $12,542,089 (including State Grants received or expected to be received in the aggregate amount of $9,310,826) therefor and authorizing the issuance of $3,077,393 Bonds or Notes to finance part of the cost thereof.

$23,811,342 Various 2026 Park Improvements – On May 28, 2026 the County adopted Ordinance No. 268-5-2026 providing for various 2026 Park Improvements and appropriating $23,811,342 therefor (including $750,000 to be received or expected to be received from the County's Open Space Trust Fund) and authorizing the issuance of $21,963,182 bonds or notes to finance part of the cost thereof.

APPENDIX C

COPY OF THE BOND RESOLUTION

9-2026-8

SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $145,000,000 COUNTY SECURED LEASE REVENUE REFUNDING BONDS, SERIES 2026 (HUDSON COUNTY VOCATIONAL-TECHNICAL SCHOOLS PROJECT) OF THE HUDSON COUNTY IMPROVEMENT AUTHORITY AND DETERMINING VARIOUS OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Hudson County Improvement Authority (the "Authority") was created by virtue of a resolution of the County of Hudson, in the State of New Jersey (the "County"), duly adopted on September 25, 1974, as a public body corporate and politic of the State of New Jersey pursuant to the county improvement authorities law, constituting Chapter 183 of the Laws of New Jersey of 1960 and the acts amendatory thereof and supplemental thereto (the "Act"); and

WHEREAS, the County has created the Authority for the express purpose, among other things, of facilitating the development and financing of public facilities and development projects within the County; and

WHEREAS, pursuant to the terms of the Educational Facilities Construction and Financing Act, N.J.S.A. 18A:7G-1 et seq., (the "EFCFA") a vocational school district may request a county improvement authority to construct and finance a school facilities project, the county improvement authority may select a design-builder to help design and construct the school facilities project through a design-build procurement in a manner consistent with the New Jersey Schools Development Authority regulations, N.J.A.C. 19:36-1 et seq., and a county improvement authority may issue bonds to finance the project, receive debt service aid available for the school facilities project under the Educational Facilities and Construction and Financing Act, N.J.S.A. 18A:7G-1 et seq., and enter agreements with other public bodies including a county and school of technology; and

WHEREAS, on May 17, 2016, the Authority issued $160,000,000 County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project) (the "Refunded Bonds") to construct a new vocational and technical high school facility for the Hudson County Schools of Technology ("HCST"), located in the Town of Secaucus, in the County and to provide furnishings, equipment, athletic facilities, site work and other related facilities therefor (the "Project"); and

WHEREAS, the Refunded Bonds were issued pursuant to the terms of the Act, other applicable law and the general bond resolution adopted by the Authority on March 23, 2016 and entitled, "Resolution Authorizing the Issuance of County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project) of the Hudson County Improvement Authority and Determining Other Matters Related Thereto", as the same may be amended or supplemented from time to time in accordance with its terms (the "Bond Resolution"); and

WHEREAS, to implement the Project, the County, pursuant to a ground lease agreement entered into by and between the County and HSCST, leased the premises commonly known as Block 5, Lot 2.01 on the approved tax map of the Town of Secaucus (the "Premises") to the HCST for a period of 75 years ("Lease 1"); the HCST, pursuant to a sub-ground lease agreement entered into by and between the HCST and the Authority, sub-leased the Premises to the Authority for the construction and implementation of the Project ("Lease 2"); the Authority, pursuant to a lease and agreement entered into by and between the Authority and the County, leased the Premises together with the facilities to be constructed thereon to the County at a rental price and for a duration sufficient to pay the debt service due on the Refunded Bonds and pay all other costs of the Authority incidental to Project ("Lease 3"); and the County, pursuant to a lease agreement entered into by and between the County and HCST, leased the Premises and the new facilities to be constructed thereon to the HCST ("Lease 4" and together with Lease 1, Lease 2 and Lease 3, the "Leases"), all with the intent that the Project will vest in the HCST and that Lease 2, Lease 3 and Lease 4 will terminate when the Refunded Bonds and bonds issued to refund the Refunded Bonds are no longer outstanding and all amounts owing to the Authority in connection with the Project have been paid; and

WHEREAS, the principal of redemption premium, if any, and interest on the Refunded Bonds is secured by valid and binding general obligation lease rental payments made by the County to the Authority pursuant to the terms of Lease 3; and

WHEREAS, in order to take advantage of debt service savings available to the Authority due to a favorable interest rate environment, the Authority shall refinance all or a portion of the Refunded Bonds through the issuance of not to exceed of $145,000,000 County Secured Lease Revenue Refunding Bonds, Series 2026 (Hudson County Vocational-Technical Schools Project) (the "Refunding Bonds"), as permitted by the Act and the EFCFA, which Refunding Bonds may be issued in one or more series; and

WHEREAS, the Refunding Bonds shall be issued pursuant to the terms of the Act, the EFCFA, other applicable law, the Bond Resolution, this supplemental bond resolution (the "Supplemental Resolution") and a Certificate of Authority Officer (as defined in Section 103 hereof); and

WHEREAS, Lease 3 shall be amended to secure the payment of principal of and interest on the Refunding Bonds; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE HUDSON COUNTY IMPROVEMENT AUTHORITY, AS FOLLOWS:

ARTICLE I

Definitions

Section 101. This resolution may hereinafter be cited as the "Supplemental Resolution".

Section 102. Terms Defined in Resolution. Whenever used or referred to in this Supplemental Resolution all capitalized terms herein shall, unless specifically defined herein or unless the context clearly requires otherwise, have the same meanings which are assigned to such terms in the Bond Resolution.

Section 103. Definitions. As used or referred to in this Supplemental Resolution, unless a different meaning clearly appears from the context:

(A) "Authorized Authority Representative" means the Chairperson, Vice Chairperson, Chief Executive Officer or the Executive Director of the Authority and any other person or persons who are authorized to act on behalf of the Authority by virtue of a written certificate, duly executed on behalf of the Authority.

(B) "Certificate of Authority Officer" means a certificate which is executed by the Authorized Authority Representative determining any of the details relating to the issuance, sale, security for any other internal matters as provided in this Supplemental Resolution.

(C) "Paying Agent" means the paying agent appointed for the Refunding Bonds in accordance with Section 301 hereof;

(D) "Registrar" means the registrar appointed for the Refunding Bonds in accordance with Section 301 hereof;

(E) "Securities Depository" means the securities depository appointed for the Refunding Bonds in accordance with Section 301 hereof;

(F) "Trustee" means the trustee appointed for the Refunding Bonds in accordance with Section 301 hereof; and

(G) "Underwriters" means such underwriter, underwriters, purchaser or purchasers of the Refunding Bonds, as determined by the Authority and set forth in the Certificate of Authority Officer.

ARTICLE II

Authorization, Amount and Description of the Refunding Bonds

Section 201. Authorization and Purpose of the Refunding Bonds. The proceeds of the Refunding Bonds will be used to:

(A) refund the Refunded Bonds;

(B) if necessary, fund capitalized interest on the Refunding Bonds; and

(C) provide for the costs of issuance associated with the Refunding Bonds.

Section 202. Amount and Title of the Refunding Bonds. Not to exceed $145,000,000 of the Refunding Bonds are hereby authorized to be issued and sold in accordance with the provisions of the Bond Resolution, this Supplemental Resolution and a Certificate of Authority Officer authorized pursuant to Section 203 of this Supplemental Resolution. Each of such Refunding Bonds shall be designated "County Secured Lease Revenue Refunding Bonds, Series 2026 (Hudson County Vocational-Technical Schools Project)" as set forth below or by such other title as the Authority shall determine. Such Refunding Bonds may be issued and sold in one or more series and as taxable or tax-exempt obligations as determined by the Authorized Authority Representative in consultation with the Authority's Bond Counsel and Municipal Advisor and set forth in Certificate of Authority Officer.

Section 203. Description of the Refunding Bonds.

(A) Description of the Refunding Bonds; Delegation to Authority Officer. Pursuant to and in accordance with the provisions of *N.J.S.A.* 40:37A-60 and the terms of the Bond Resolution, the Authority hereby determines that the Authorized Authority Representative is hereby designated as the individual who shall have the power to sell and to award the Refunding Bonds on behalf of the Authority to the Underwriters, in accordance with the terms of the Certificate of Authority Officer and subject to the parameters set forth herein, including the power to determine, among other things (a) the amount of Refunding Bonds to be issued, in an

amount not to exceed the amount set forth in Section 202 hereof, which are authorized to be issued pursuant to the terms of Section 301 of the Bond Resolution, (b) the time and the manner of sale of the Refunding Bonds, (c) the maturity or maturities of such Refunding Bonds and the provisions pertaining to redemptions thereof and/or sinking funds established therefor, (d) the rate or rates of interest for such Refunding Bonds, and (e) such other terms and conditions as may be necessary or related to the sale of the Refunding Bonds. The Authorized Authority Representative is hereby authorized to award such Refunding Bonds to the Underwriters. Such award shall be evidenced by the execution of a Certificate of Authority Officer. Such Certificate of Authority Officer shall determine the terms and conditions relating to the sale of the Refunding Bonds, including the rate of interest to be borne by the Refunding Bonds and the Underwriters' discount, if any, which is payable to the Underwriters in connection with the sale of the Refunding Bonds; provided however, the final maturity date of the Refunding Bonds shall be not later than May 1, 2051; provided however, that without the further authorization of the Authority, the rate or rates of interest (or the net interest rate in the event that the Refunding Bonds are issued as fixed interest rate obligations) or the initial rate of interest (in the event that the Refunding Bonds bear interest at a variable rate of interest), as the case may be, to be borne by the Refunding Bonds shall not exceed six per centum (6.00%) per annum for such Refunding Bonds; provided however, that the Underwriters' discount for the Refunding Bonds shall not exceed $6.00 per $1,000 principal amount of such Refunding Bonds; and provided however, that the rate of interest (or net interest rate, if applicable) or the initial rate of interest on the Refunding Bonds and the Underwriters' discount for such Refunding Bonds may exceed the amounts which are set forth herein if such greater rate of interest or such greater Underwriters' discount is approved, prior to the award and sale of such Refunding Bonds, by a resolution duly adopted by the Authority. Such Certificate shall contain such other terms and conditions as shall be deemed to be necessary in connection with the sale of the Refunding Bonds.

(B) Denomination and Place of Payment. The Refunding Bonds shall be issued in book-entry form only and, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"). The Refunding Bonds shall be issued in the form of one certificate for each maturity for each series, in the aggregate principal amount of such maturity. As long as DTC or its nominee, Cede & Co., is the Registered Owner of the Refunding Bonds, payments of the principal of, redemption premiums, if any, and interest on the Refunding Bonds will be made by the Paying Agent directly to Cede & Co., as Registered Owner, which will remit such payments to DTC participants, which will in turn remit such payments to the beneficial owners of the Refunding Bonds. All other terms and conditions with respect to the payment of the principal of redemption premium, if any, and interest on the Refunding Bonds shall be as provided in the Bond Resolution.

(C) Transfer and Exchange of Refunding Bonds. As long as the Refunding Bonds remain in book-entry form, such Refunding Bonds shall be transferable only upon the records of DTC. All other provisions governing the transfer and exchange of the Refunding Bonds shall be as provided in the Bond Resolution.

(D) Form of the Refunding Bonds. The Refunding Bonds shall be in substantially the form set forth in Section 1207 of the Bond Resolution, which form is by this reference incorporated in full as if set forth herein, with such omissions, insertions and variations as are properly required and which are not contrary to any of the provisions of the Bond Resolution or any of the provisions of this Supplemental Resolution.

ARTICLE III

Trustee, Registrar, Paying Agent, Securities Depository, Official Statement, and other Required Actions

Section 301. Appointment of Trustee, Registrar, Paying Agent, Escrow Agent Securities Depository, and Municipal Advisor.

(A) DTC is hereby appointed to serve as Securities Depository for the Refunding Bonds, pursuant to and under the provisions of the Bond Resolution

(B) The appointment of the (i) Paying Agent, Escrow Agent, Registrar and Trustee and (ii) the Printer in connection with the issuance and sale of the Refunding Bonds shall be designated by the Authorized Authority Representative pursuant to the Certificate of Authority Officer.

(C) NW Financial Group is hereby appointed to serve as Municipal Advisor in connection with the issuance and sale of the Refunding Bonds.

Section 302. Authorization of Official Statement. The Authority's Bond Counsel and the Underwriters are hereby authorized to prepare and to distribute a Preliminary Official Statement on behalf of the Authority in connection with the sale of the Refunding Bonds. The form and content of such Preliminary Official Statement shall, prior to the distribution thereof, be approved by the Authority, or by the Authorized Authority Representative, as the case may be, acting on behalf of the Authority. Subsequent to obtaining such approval, the Preliminary Official Statement may be revised, if necessary, and may contain additional terms and information relating to the sale of the Refunding Bonds; provided however, that the form and content of such revised Preliminary Official Statement shall have been previously approved by the Authority, or by the Authorized Authority Representative, as the case may be, acting on behalf of the Authority, prior to the distribution thereof. The Authorized Authority Representative is hereby authorized to execute the final Official Statement and shall execute any closing or other documents which are required to be executed in connection with the delivery of the Refunding Bonds. Any actions which are not determined by this Supplemental Resolution or any other resolution of the Authority duly adopted prior to the authentication and delivery of the Refunding Bonds shall be determined by the execution of a Certificate of Authority Officer.

Section 303. Approval of Other Actions and Agreements. The Authorized Authority Representative shall also take all other actions and execute any other documents, lease or other agreements, certificates or other instruments, including without limitation the amendment to Lease 3, deemed necessary, convenient or desirable by the Authorized Authority Representative to consummate the transactions contemplated by the Bond Resolution and this Supplemental Resolution.

Section 304. Execution of Bond Purchase Agreement Evidencing Award of the Refunding Bonds. The Refunding Bonds shall be sold and awarded to the Underwriters upon the terms and the conditions set forth in the Bond Purchase Contract to be dated the date of sale of the Refunding Bonds and to be executed on behalf of the Authority and the Underwriters. The Authorized Authority Representative is hereby authorized and directed to execute the Bond Purchase Contract and to deliver same to the Underwriters on terms deemed advisable by the Authorized Authority Representative in consultation with the Authority's Bond Counsel and Municipal Advisor. The Refunding Bonds will be sold to the Underwriters for the purchase price set forth in the Bond Purchase Contract, plus accrued interest and giving effect to an Underwriters' discount, if any, all as set forth therein. Settlement of the purchase price for the Refunding Bonds will be made as provided in the Bond Purchase Contract. Such sale and award of the Refunding Bonds by the Authorized Authority Representative shall be evidenced by the execution of the Certificate of Authority Officer as of the date of the sale and the award of the Refunding Bonds and a Bond Purchase Contract executed by the Authority and the Underwriters, and such Certificate of Authority Officer and Bond Purchase Contract shall be presented to the members of the Authority at the next regular meeting of the Authority following such sale and award as evidence of the terms and details of the sale of such Refunding Bonds.

Section 305. Certificate of Authority Officer. In accordance with the Bond Resolution and in addition to matters set forth in Section 203 of this Supplemental Resolution, the Authorized Authority Representative, after consultation with Authority Bond Counsel and the Authority Municipal Advisor, as applicable, is hereby authorized to:

(i) execute the Certificate of Authority Officer;
(ii) execute the Bond Purchase Contract; and
(iii) amend or modify the provisions of this Supplemental Resolution in the Certificate of Authority Officer, provided that any such amendment or modification occurs prior to the issuance of the Refunding Bonds;
(iv) execute a certificate certifying that the Refunding Bonds provide present value savings of at least 3.00%, no annual debt service payment is more than it was for the Refunded Bonds, the final maturity of the Refunding Bonds does not extend past the budget year in which the Refunded Bonds were scheduled to finally mature, the debt service savings of the Refunding Bonds are substantially level in each year, and that this Supplemental Resolution was adopted by a 2/3 vote of the full membership of the Board of Commissioners.

ARTICLE IV

Proceeds of the Refunding Bonds

Section 401. Application of Proceeds of the Refunding Bonds. At the time of delivery of the Refunding Bonds, the proceeds of the Refunding Bonds shall be irrevocably deposited with the Trustee and applied in accordance with the letter of instruction of an Authorized Authority Representative provided at the closing of the Refunding Bonds.

Section 402. Bond Reserve Fund. The Bond Reserve Requirement, if any, for the Refunding Bonds shall be as set forth in a Certificate of Authority Officer as set forth in the Bond Resolution.

Section 403. Costs of Issuance of the Refunding Bonds. The Trustee is hereby authorized and directed to pay all of the costs of issuance in connection with the sale of the Refunding Bonds from the Construction Fund pursuant to the Certificate of Authority Officer or any other certificate of the Executive Director of the Authority to be delivered to the Trustee at closing.

ARTICLE V

Continuing Disclosure Undertaking

Section 501. Material Events Disclosure. Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission as amended and interpreted from time to time (the "Rule"), the Authorized Authority Representative is hereby authorized to execute a Continuing Disclosure Certificate on behalf of the Authority in connection with the delivery and issuance of the Refunding Bonds.

Section 502. Damages. In the event that the Authority fails to comply with the requirements of the Continuing Disclosure Certificate, the Authority shall not be liable for monetary damages, remedy being hereby specifically limited to specific performance. If any part of the Rule ceases to be in effect for any reason, then the information required to be provided in the Continuing Disclosure Certificate, insofar as the provisions of the Rule no longer require such information, shall no longer be required pursuant to this Supplemental Resolution.

Section 503. Amendments. Article V of this Supplemental Resolution and the Continuing Disclosure Certificate may be amended from time to time without notice to the Bondholders if the Authority determines that an amendment is necessary to comply with the Rule and such amendment, in the opinion of nationally recognized bond counsel, complies with the Rule.

ARTICLE VI

Miscellaneous

Section 601. Amendments. The Authorized Authority Representatives of the Authority are hereby authorized to approve, execute and implement any financing documents, agreement or certificates, including the Bond Resolution and this Supplemental Resolution, that may be required to amend, modify or clarify the terms and conditions of the Bond Resolution or this Supplemental Resolution relating to the authorization, issuance, sale, security, flow of funds or covenants of the Refunding Bonds, or as may be required by any rating agency and/or bond insurer in connection with their delivery of ratings on the Refunding Bonds or issuance of municipal bond insurance, respectively; provided however, that, the Authorized Authority Representative, in conjunction with the Authority's Bond Counsel and General Counsel, will have determined that any such amendments and/or supplements will not have a material adverse effect on the ability of the Authority to market, sell and deliver the Refunding Bonds or on any of the material terms, conditions and/or covenants set forth in the Bond Resolution or this Supplemental Resolution.

Section 602. Filing of the Supplemental Resolution. The Secretary of the Authority is hereby authorized and directed to cause copies of the Supplemental Resolution to be filed for public inspection at the offices of the Trustee and the Authority.

Section 603. Effective Date. This Supplemental Resolution shall take effect immediately upon adoption.

RECORDED VOTE:

	YES	NO	ABSTAIN	NOT PRESENT
James P. Doran, ED.D.	X			
Jeffrey Dublin	X			
Nicholas Goldsack	X			
Matthew Hayden	X			
Frank Lorenzo	X			
Martin T. Martinetti	X			
Edmund J. Shea	X			
Frank Pestana	X			
Brian K. Dellabella		X		

The foregoing is a true and complete copy of a Resolution of the Hudson County Improvement Authority adopted at the Regular Board Meeting thereof duly called and held on Wednesday, September 9, 2026.

Fatima Zeidan

FATIMA ZEIDAN, ASSISTANT SECRETARY
(SEAL)

RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY SECURED LEASE REVENUE BONDS, SERIES 2016 (HUDSON COUNTY VOCATIONAL-TECHNICAL SCHOOLS PROJECT) OF THE HUDSON COUNTY IMPROVEMENT AUTHORITY AND DETERMINING OTHER MATTERS RELATED THERETO

Adopted March 23, 2016

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RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY SECURED LEASE REVENUE BONDS, SERIES 2016 (HUDSON COUNTY VOCATIONAL-TECHNICAL SCHOOLS PROJECT) OF THE HUDSON COUNTY IMPROVEMENT AUTHORITY AND DETERMINING OTHER MATTERS RELATED THERETO

W I T N E S E T H

WHEREAS, the Hudson County Improvement Authority (the "Authority" or "Improvement Authority) has been duly created by resolution of the Board of Chosen Freeholders of the County of Hudson (the "County"), duly adopted September 25, 1974, as a public body corporate and politic of the State of New Jersey and was reorganized by ordinance adopted by the Board of Chosen Freeholders of the County at a meeting thereof duly held on August 8, 1991 pursuant to and in accordance with the "County Improvement Authorities Law", *N.J.S.A.* 40:37A-44 *et seq.* (the "Act"); and

WHEREAS, pursuant to the terms of the Act, the Authority is authorized to provide "public facilities" (as such term is defined in the Act) within the County by lease or purchase, to construct, reconstruct and rehabilitate improvements thereon and to lease same; and

WHEREAS, the Board of Education of the Hudson County Schools of Technology ("HCST") desires to construct a new vocational and technical high school facility to be located in the Town of Secaucus, in the County and to provide therefor furnishings, equipment, athletic facilities, site work and other related facilities, and the financing thereof (the "Project"); and

WHEREAS, pursuant to the terms of newly enacted Chapter 68 of the Pamphlet Laws of 2015, effective June 26, 2015 (the "2015 Vocational School Construction and Financing Act"), a vocational school district may request a county improvement authority to construct and finance a school facilities project, the county improvement authority may select a design-builder to help design and construct the school facilities project through a design-build procurement in a manner consistent with the New Jersey Schools Development Authority regulations, N.J.A.C. 19:36-1 *et seq.* (the "Design Build Procurement Regulations"), and a county improvement authority may issue bonds to finance the project, receive debt service aid available for the school facilities project under the Educational Facilities and Construction and Financing Act, N.J.S.A. 18A:7G-1 *et seq.*, and enter agreements with other public bodies including a county and school of technology; and

WHEREAS, in accordance with the provisions of the 2015 Vocational School Construction and Financing Act, the HCST has asked the Authority to finance the acquisition, construction, renovation, improvement, equipping, furnishing and installation of the Project to be leased to and utilized by the HCST, including but not limited to the Facilities (as such term is hereinafter defined); and

WHEREAS, the Authority has determined to assist the County and the HCST pursuant to the 2015 Vocational School Construction and Financing Act as it relates to the development, design, construction and/or rehabilitation of improvements relating to the Project defined herein,

including a lease with the County to secure payment of the bonds, in or more series, including renewals, if any, anticipated to be issued by the Authority to finance the Project (the "Bonds"); and

WHEREAS, to implement the Project the County shall, pursuant to ground lease agreement to be entered into by and between the County and HSCST, lease the premises commonly known as Block 5, Lot 2.01 to the HCST for a period of 75 years ("Lease 1"); the HCST shall, pursuant to a sub-ground lease agreement to be entered into by and between the HCST and the Authority, sub-lease the Premises to the Authority for the construction and implementation of the Project ("Lease 2"); the Authority shall, pursuant to a lease and agreement to be entered into by and between the Authority and the County, lease the Project together with the facilities to be constructed thereon to the County at a rental price and for a duration sufficient to pay the debt service due on the Bonds and pay all other costs of the Authority incidental to Project ("Lease 3"); and the County shall, pursuant to a lease agreement entered into by and between the County and HCST, lease the Project and the new facilities to be constructed thereon to the HCST ("Lease 4" and together with Lease 1, Lease 2 and Lease 3, the "Leases") (the Leases to be dated as of the first day of the month of issuance of the Bonds), all with the intent that the Project will vest in the HCST and that Lease 2, Lease 3 and Lease 4 will terminate when the Bonds are no longer outstanding and all amounts owing to the Authority in connection with the Project have been paid; and

WHEREAS, the Authority intends by the adoption of this general bond resolution on March 23, 2016, as the same may be amended and supplemented from time to time (the "General Bond Resolution"), including by an award certificate (the "Award Certificate" and together with the General Bond Resolution, the "Resolution") to provide for, among other things, the issuance of the Bonds by the Authority; and

WHEREAS, the Bonds shall be issued pursuant to the terms of the Act, the Resolution, other applicable law; and

WHEREAS, the principal of, redemption premium, if any, and interest on the Bonds shall be secured by valid and binding general obligation lease rental payments made by the County to the Authority pursuant to the terms of Lease 3; and

WHEREAS, the proceeds of the Bonds will be applied to the payment of the costs of the Project on a requisition basis in accordance with the terms of the Resolution and Lease 3, including the costs of issuing the Bonds; and

WHEREAS, the County will enter into a "Continuing Disclosure Agreement" to be dated as of the first day of the month of issuance of the Bonds (as the same may be amended and supplemented from time to time in accordance with its terms, the "Continuing Disclosure Agreement") with the Authority and the Trustee in order to satisfy the secondary market disclosure requirements of Rule 15c2-12 ("Rule 15c-12") promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended; and

WHEREAS, in accordance with Section 13 of the Act (N.J.S.A. 40:37A-56), prior to the issuance of the Bonds, the Authority will have made a detailed report to the County Board of Chosen

Freeholders, which report will include, without limitation, this Resolution, a form of the Bonds, the Leases and the Continuing Disclosure Agreement (collectively, the "Financing Documents"); and

WHEREAS, the County, the HCST and the Authority agree that their mutual public purposes and their best interests will be promoted by the execution and delivery of the Leases all pursuant to the powers conferred by the Act and the 2015 Vocational School Financing and Construction Act;

NOW THEREFORE, BE IT RESOLVED BY THE HUDSON COUNTY IMPROVEMENT AUTHORITY, as follows:

ARTICLE I

Definitions and Interpretations

Section 101. Definitions. The following terms which are used as defined terms herein shall, unless the context clearly requires otherwise, have the meanings which are set forth below:

"Accountant" means any registered municipal accountant of the State of New Jersey or a certified public accountant of the State of New Jersey, who, in either case, may be the accountant or a member of a firm of accountants who regularly audit the books and accounts of the Authority, as selected by the Authority from time to time.

"Act" means the "county improvement authorities law" constituting Chapter 183 of the Pamphlet Laws of 1960, of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40:37A-44 *et seq.*).

"Additional Bond" or "Additional Bonds" means any bond or bonds of the Authority which are authorized and issued pursuant to the terms of Sections 317 and 318 hereof.

"Additional Rent" means that portion of Rentals which are required to be made by the County to the Authority pursuant to Lease 3.

"Authority" means The Hudson County Improvement Authority, a public body corporate and politic of the State of New Jersey organized and existing under the Act and created by virtue of a resolution of the Board of Chosen Freeholders of the County, duly adopted September 25, 1974.

"Authorized Authority Representative" means the Chairman, Vice Chairman or the Executive Director of the Authority and any other person or persons who shall be authorized to act on behalf of the Authority by virtue of a written certificate, duly executed on behalf of the Authority by the Chairman or the Executive Director of the Authority, which sets forth the specimen signatures of each such person or any other Authority Officer or Representative designated by Supplemental Resolution of the Authority.

"Authorized County Representative" means the County Executive, County Administrator or the Director of the Department of Finance and Administration/County Treasurer or any other person or persons who shall be authorized to act on behalf of the County by written certificate, duly executed on behalf of the County by the County Executive, which sets forth the specimen signature of each such person.

"Authorized Newspaper(s)" means (a) one newspaper which is customarily published and generally circulated at least once in each calendar week in the County, and (b) one newspaper which is customarily published in the Borough of Manhattan, County and State of New York, at least once a day for at least five (5) days (other than legal holidays) in each calendar week, each of which newspapers is printed in the English language.

"Basic Rent" means the portion of rental payments which are required to be made by the County to the Authority pursuant to Lease 3.

"Bond" or "Bonds" means any bond or bonds, as the case may be, of the Authority which are authorized herein and which may be issued in one or more Series pursuant to the terms of Article III hereof in order to provide funds for payment of the acquisition, construction, renovation, improvement, equipping, furnishing and installation of the Facilities, and any bonds issued in lieu of or in substitution for such Bonds pursuant to the terms of the Resolution.

"Bondholder" or the term "Holder" or any similar term when used with reference to a Bond or Bonds, means the Registered Owner.

"Bond Counsel" means an attorney or firm of attorneys with experience and nationally recognized expertise in the area of municipal finance, as may be appointed by the Authority from time to time.

"Bond Reserve Credit Facility" means any letter of credit, surety bond, loan agreement or other credit agreement, facility, insurance or guaranty arrangement issued by a financial institution, insurance company or association which is obtained by the Authority, with the prior written consent of the issuer of such bond reserve credit facility, in satisfaction of all or any portion of the Bond Reserve Requirement with respect to any Series of Bonds.

"Bond Reserve Fund" means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof.

"Bond Reserve Requirement" means, as of the date of computation, the amount of money required to be on deposit in the Bond Reserve Fund for any or all Series of Bonds, as determined by Supplemental Resolution of the Authority or by a Certificate of Authority Officer relating to the Bonds, which amount may be $0. All or any part of the Bond Reserve Requirement may be satisfied by depositing funds in the Bond Reserve Fund or by obtaining a Bond Reserve Credit Facility.

"Bond Service Fund" means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof.

"Bond Service Requirement" means, as of any particular date of computation in a particular Bond Year and with respect to any Series of Outstanding Bonds on such date (other than capital appreciation bonds), an amount which is equal to the sum of (a) any unpaid interest or principal then due, (b) the amount of interest accruing on Outstanding Bonds during the succeeding six (6) month period if such amount was deemed to accrue daily in equal amounts, and (c) that portion of each Principal Installment for Outstanding Bonds that would accrue during the succeeding twelve (12) months if such Principal Installment were deemed to accrue daily in equal amounts from the immediately preceding Principal Installment due date, less any amounts which are held by the Trustee in the Bond Service Fund and which are available for such purpose.

"Bond Year" means, in the case of the first bond year, the period beginning on the date of issuance of such Bonds and ending on the first anniversary of such date. Each subsequent Bond Year is the one year (1) period beginning on the day after the expiration of the previous Bond Year.

"Book-Entry Bonds" means any Bonds which are issued in book-entry only form as evidenced by one or more certificates for each stated principal maturity of the Bonds which Bonds are in registered form and delivered to a Securitics Depository.

"Business Day" means any Monday, Tuesday, Wednesday, Thursday or Friday which is not a day on which either state or federally chartered banking institutions in the City of New York or the State of New Jersey are authorized or obligated by law or executive order to close.

"Certificate of Authority Officer" means any certificate which is executed by an Authorized Authority Representative for any purpose which is provided in the Resolution or in any Supplemental Resolution of the Authority.

"Code" means the Internal Revenue Code of 1986, as the same may be amended from time to time, and the regulations promulgated thereunder and any regulations promulgated under the Internal Revenue Code of 1954, as amended, to the extent applicable to the Bonds.

"Construction Fund" shall mean the fund so designated which has been herein established and created by the Authority pursuant to the terms of Section 401 hereof.

"Cost" or "Costs of the Facilities" means and shall be deemed to include, together with any other proper item of cost which is not specifically mentioned herein but which is specifically provided under the definition of "cost" or "costs," as set forth in the Act, whether incurred prior to or after the date of adoption of the Resolution, (a) costs and expenses of the Authority which are incurred for labor and materials and payments to contractors, builders and materialmen in connection with the acquisition, construction, renovation, improvement, equipping and installation of the Facilities; (b) the cost of any letter of credit or any surety or similar bonds issued in lieu of or in addition to such surety bond and the cost of insurance of any kind that may be required or that may be necessary during the course of construction, renovation,

improvement, equipping and installation of the Facilities which is not paid by the contractor or contractors or otherwise provided for; (c) the costs and expenses of the Authority or the County for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties which are required by or which are consequent to the proper construction, renovation, improvement, equipping and installation of the Facilities; (d) compensation and expenses of the Trustee, Paying Agent, Registrar, and/or other fiduciaries, financial advisory, legal, accounting, underwriting, financial and printing expenses, fees and all other expenses incurred in connection with the (i) issuance of the Bonds, and (ii) obtaining a Credit Facility or Bond Reserve Credit Facility for any Bonds; (e) all other costs which the Authority or the County shall be required to pay under the terms of any contract or contracts for the acquisition, construction, renovation, improvement, equipping and installation of the Facilities; (f) any sums which are required to reimburse the Authority or the County for advances made by the County for any of the above items, or for any other costs which are properly incurred and for work done by them, which are properly chargeable to the Facilities; (g) deposits into the Bond Service Fund for payment of interest on the Bonds and deposits in the Bond Reserve Fund or any other fund or account under the Resolution; (h) the payment of any project notes or similar evidences of indebtedness of the Authority which have been issued to temporarily finance the payment of any item or items of cost of the Facilities (including any interest and redemption premiums thereon); (i) amounts paid to the County to refund bond anticipation notes issued by the County to temporarily finance the cost of acquisition, construction, renovation and/or improvement of the Facilities, including costs and expenses incurred in connection with such financing; (j) the administrative expenses of the County and the Authority incurred in connection with the administration or financing of the Facilities; and (k) such other expenses which are not specified herein as may be necessary or incidental to the acquisition, construction, renovation, improvement, equipping and installation of the Facilities, the financing thereof and the placing of the same in use and operation.

"Counsel's Opinion" means an opinion which shall be signed by an attorney or firm of attorneys of recognized standing (who may be counsel or of counsel to the Authority) which shall be selected by the Authority, and, if such opinion is required to be delivered to the Trustee, which firm shall be satisfactory to the Trustee.

"Credit Facility" means with respect to any Series of Bonds, or portion thereof, any letter of credit, surety bond, loan agreement or other credit agreement, facility, insurance or guaranty arrangement issued by a financial institution, insurance company or association pursuant to which funds are available to pay the principal of and interest on such Series of Bonds or portions thereof.

"Defeasance Obligations" means (a) any direct and general obligation of, or any obligation fully and unconditionally guaranteed by, the United States of America, (b) any certificates of deposit which constitute Investment Obligations; provided however, that such certificates of deposit are fully collateralized by Investment Obligations or (c) non-callable Tax-Exempt Obligations which are rated "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service and which have been previously refunded by the issuer of such obligations.

"Event of Default" shall have the meaning given to it in Article X herein.

"Facilities" means the new Career Technical High School facilities, that portion of the land on which the Facilities are located, furnishings and equipment, together with all necessary and incidental equipment, apparatus, structures and appurtenances and including all real property and rights-of-way, easements and other interests and all personal property that is necessary or that is desirable for the efficient operation of the Schools of Technology, and the proper maintenance, capital improvement, as necessary, and continued operation of the Schools of Technology, all as located on Block 5, Lot 2.01.

"Fiduciary" means the Trustee, the Registrar, the Paying Agent, or any or all of them, as the case may be.

"Fiscal Year" means the period of twelve (12) calendar months commencing on January 1 and ending December 31, or such other period, as shall be determined from time to time by a resolution duly adopted by the Authority.

"General Fund" means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof.

"Herein," "hereunder," "hereby," "hereto" and "hereof" and any similar terms refer to the Resolution; the term "heretofore" means prior to the adoption of the Resolution; and the term "hereafter" means subsequent to the adoption of the Resolution.

"Indexing Agent" means, with respect to and in connection with the issuance of Variable Rate Bonds, as and to the extent expressly provided in a Supplemental Resolution authorizing the issuance of such Variable Rate Bonds, a nationally recognized indexing authority, or any other corporation, association or investment banking institution having skill and expertise in connection with the determination of an interest rate to be borne by variable rate obligations (which may, but need not, be the Remarketing Agent), in order to assist, to the extent provided in Section 304 hereof, in determining the rate of interest to be borne by Variable Rate Bonds, or any other corporation, firm or association which may at any time be substituted in its place pursuant to the terms of the Resolution, as shall be appointed by the Authority.

"Initial Bonds" means the first Series of Bonds issued by the Authority pursuant to the Resolution.

"Initial Resolution" means the "RESOLUTION AUTHORIZING THE ISSUANCE OF COUNTY SECURED LEASE REVENUE BONDS, SERIES 2016 (HUDSON COUNTY VOCATIONAL-TECHNICAL SCHOOLS PROJECT) OF THE HUDSON COUNTY IMPROVEMENT AUTHORITY AND DETERMINING OTHER MATTERS RELATED THERETO" as adopted by the Authority on March 23, 2016.

"Interest Index" means, if necessary, with respect to and in connection with the issuance of Variable Rate Bonds, as and to the extent expressly provided in a Supplemental Resolution of the Authority authorizing the issuance of such Variable Rate Bonds, the index which shall be used to determine the variable rate of interest to be borne by Variable Rate Bonds,

which index shall be established in accordance with the terms of a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any Bonds, or as may be determined by a Certification of Authorized Officer, as the case may be.

"Interest Payment Date" means the date for the payment of interest on any Series of Bonds as determined by Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any Bonds, or as may be determined by a Certificate of Authority Officer, as the case may be.

"Interest Payment Period" means a specified period for the calculation of interest on Variable Rate Bonds, as more specifically provided in a Supplemental Resolution duly adopted prior to the authentication and delivery of such Variable Rate Bonds.

"Investment Obligations" means, any obligations authorized from time to time as permissible investments for county improvement authorities under New Jersey law or as may be determined by a Supplemental Resolution of the Authority or a Certificate of Authority Officer.

"Liquidity Facility" means, with respect to and in connection with the issuance of Variable Rate Bonds, as and to the extent expressly provided in a Supplemental Resolution of the Authority authorizing the issuance of such Variable Rate Bonds, an insurance policy, letter of credit or agreement or facility issued by a financial institution, insurance company or association pursuant to which the Fiduciary may obtain funds for payment of the principal of and accrued interest on Bonds upon the tender of such Bonds for purchase by the Holder thereof or upon the redemption of such Bonds by the Authority.

"Local Authorities Law" means the Local Authorities Fiscal Control Law constituting Chapter 313 of the Pamphlet Laws of 1983, of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40A:5A-1 et seq.).

"Maximum Annual Bond Service" means an amount equal to the greatest (1) interest on Outstanding Bonds, and (2) Principal Installments on Outstanding Bonds, in each case, in any current or future Bond Year.

"Outstanding" when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (a) any Bond which has been canceled by the Authority or by the Registrar on or prior to said date, (b) any Bond for the payment or redemption of which either (i) cash, in an amount which is equal to the principal amount and redemption amount, as the case may be, or (ii) moneys and/or Investment Obligations in the amounts, of the maturities and otherwise conforming with the provisions of Section 1201 hereof, shall have theretofore been deposited with the Trustee in trust whether upon or prior to the maturity date or the redemption date of such Bonds and, except in the case of a Bond to be paid at maturity, of which notice of redemption shall have been given or provided for in accordance with the terms of Article VII hereof, and (c) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the provisions of the Resolution.

"Paying Agent" means any paying agent for the Bonds which shall be appointed by Supplemental Resolution of the Authority pursuant to the terms of Section 1102(a) hereof, and its successor or successors, and any other corporation or association that may at any time be substituted in its place pursuant to the terms of the Resolution.

"Permitted Encumbrances" means and includes (a) undetermined liens and charges which are incidental to construction or maintenance, now or hereafter filed on record which are being contested in good faith and which have not proceeded to judgment; (b) minor defects and irregularities in the title to the Facilities which do not in the aggregate materially impair the use of the Facilities for the purposes for which they are intended; (c) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purpose, or for the joint or common use of real Facilities, facilities and equipment, which do not materially impair the use of such Facilities for the purposes for which it is or may reasonably be expected to be held; and (d) such other defects as may appear in a title report and subject to the approval of an Authorized Authority Representative.

"Principal Installment" means, as of any particular date of calculation, an amount of money which is equal to the sum of (1) the principal amount of Outstanding Bonds that mature on a single future date, reduced by the aggregate principal amount of such Outstanding Bonds that would, on or prior to such future date, cease to be Outstanding by reason (but only by reason) of the payment when due and the application of Sinking Fund Installments which are payable on or prior to such future date toward the retirement of such Outstanding Bonds, and (2) the amount of any Sinking Fund Installment which is payable on such future date toward the retirement of any Outstanding Bonds, and such future date is deemed to be the date when such Principal Installment is payable.

"Purchase Option Price" shall mean the price that the County shall pay should it determine to exercise its option to prepay or purchase a portion of or all of the Facilities pursuant to Section 5.7(b) of Lease 3.

"Rebate Fund" means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof.

"Record Date" means, with respect to a particular Series of Bonds, (a) the fifteenth (15^{th}) day (whether or not a business day) of the calendar month next preceding each interest payment date, in the event that the interest payment date is the first (1^{st}) day of a month, (b) the first (1^{st}) day (whether or not a business day) of the calendar month in which an interest payment date occurs in the event that the interest payment date is the fifteenth (15^{th}) day of the month or, (c) as otherwise provided for a Series of Bonds in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Series of Bonds, or, as determined in a Certificate of Authorized Officer which is duly executed in connection with the issuance of the Bonds.

"Redemption Price" means, when used with respect to any Bond, the principal

amount of such Bond (or portion thereof) plus the applicable redemption premium, if any, which is payable upon redemption thereof in the manner contemplated in accordance with its terms and in accordance with the terms of this Resolution, together with interest accrued thereon to the date fixed for redemption as such Redemption Price shall be determined by a Supplemental Resolution duly adopted by the Authority or a duly executed Certificate of Authority Officer.

"Registered Owner" means the owner of any Bond which is issued in fully registered form, as determined on the Record Date, and as reflected on the registration books of the Authority which shall be kept and maintained on behalf of the Authority by the Registrar.

"Registrar" means the registrar or bond registrar for the Bonds which shall be appointed by Supplemental Resolution of the Authority pursuant to the terms of Section 1102(b) hereof, and its successor or successors, and any other corporation or association which may at any time be substituted in its place pursuant to the terms of the Resolution.

"Remarketing Agent" means any corporation, banking institution or investment banking firm which shall be appointed by the Authority pursuant to a Supplemental Resolution and its successor or successors, acting for the purpose of remarketing any Variable Rate Bonds (including, if applicable, the determination of interest rates for such Variable Rate Bonds) which have been tendered by the holders thereof to the Tender Agent for purchase in order to obtain funds that are necessary to pay the purchase price of such Variable Rate Bonds of such date and at such time as may be established by a Supplemental Resolution authorizing the issuance of such Variable Rate Bonds.

"Rental Payment Date" shall mean any day that is a Business Day that is at least ten (10) days prior to the next Interest Payment Date.

"Resolution" means this General Bond Resolution, as such term is defined in Section 106 hereof, as same may be amended or supplemented from time to time.

"Revenue Fund" means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof.

"Revenues" means (a) all revenues, income, rents and receipts derived or to be derived by the Authority, from or attributable to the ownership or leasing of the Facilities pursuant to the provisions of Lease 3, including Basic Rent other than Additional Rent (as described in Article V of Lease 3), including all revenues derived by the Authority under the terms of Lease 3 (other than Additional Rent and amounts other than Basic Rent received by the Authority pursuant to Section 5.4 of Lease 3) and (b) any investment income which is derived from the investment of any funds which are held by the Trustee.

"Securities Depository" means the depository for any Book-Entry Bonds which are issued hereunder and which shall be appointed by the Authority pursuant to the terms of Section 1102(c) hereof, and its successor or successors and any corporation or financial or banking institution which may be substituted in its place pursuant to the terms of the Resolution.

"Series" means any series of Bonds which is authenticated and delivered on original issuance in a simultaneous transaction and which are as designated by a Supplemental Resolution of the Authority authorizing such Series of Bonds, and which may vary in maturity, interest rate, security and other provisions, from any other Series of Bonds that may be issued in a simultaneous transaction with such Series, and any Bonds which are thereafter authenticated and delivered in lieu of or in substitution for any of such Bonds of a Series pursuant to the terms of the Resolution; provided that, in no event shall any Bonds issued as Tax-Exempt Obligations be treated as being part of the same Series as Bonds which are not Tax-Exempt Obligations.

"Serial Bonds" means the Bonds of a Series which shall be stated to mature in annual or semiannual installments.

"Sinking Fund" means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof.

"Sinking Fund Installment" means the amount of money which is required by the terms of a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any Bonds, or, as may be determined by a Certificate of Authority Officer, as the case may be, to be paid from the Sinking Fund toward the retirement of any Term Bonds. However, "Term Bonds" does not include any amount which is payable by reason only of a maturity of a Bond.

"Sinking Fund Requirement" means, as of any particular Withdrawal Date in a particular Bond Year and with respect to all Bonds which are Outstanding on such date, an amount of money which is equal to all prior Sinking Fund Installments then due and unpaid plus that portion of the Sinking Fund Installment for Outstanding Bonds that would accrue during the succeeding six (6) months if such Sinking Fund Installment were deemed to accrue daily in equal amounts from the immediately preceding Principal Installment due date or the Sinking Fund Installment due date, as the case may be as shall be determined by Supplemental Resolution of the Authority or by a duly executed Certificate of Authority Officer.

"Supplemental Resolution" means any resolution of the Authority amending or supplementing this Resolution which is duly adopted and which becomes effective in accordance with the terms of Article VIII hereof.

"Tax-Exempt Obligations" means any Series of Bonds which are issued pursuant to the terms of the Resolution together with an opinion of Bond Counsel to the effect that the interest on such Bonds is excludable from gross income pursuant to the provisions of the Code (notwithstanding the application of the provisions of the Code relating to alternative minimum taxation).

"Tender Agent" means any tender agent which shall be appointed by the Authority pursuant to a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any Variable Rate Bonds, and its successor or successors, in connection with the purchase of Variable Rate Bonds which are tendered by the holders thereof, or any other banking institution, corporation or investment banking firm which may be substituted therefor pursuant to

the terms of the Resolution or the terms of the agreement appointing the Tender Agent.

"Term Bonds" means the Bonds of a Series which shall be stated to mature on one date, rather than serially, and which shall be subject to retirement by operation of the Sinking Fund.

"Trustee" means the trustee for the Bonds which shall be appointed by Supplemental Resolution of the Authority pursuant to the terms of Section 1101 hereof, and its successor or successors, and any other corporation or association which may at any time be substituted in its place pursuant to the terms of the Resolution.

"Variable Rate Bonds" means any Bonds which bear interest at a variable rate of interest and which are issued in accordance with the terms of Section 304 hereof.

"Withdrawal Date" means the Business Day preceding the date payment of any Principal Installment, Sinking Fund Installment or interest on the Bonds is due and payable.

Words importing persons include firms, associations and corporations; and

Words importing the maturity or payment of a Bond do not include or connote redemption of such Bond prior to maturity pursuant to the terms of this Resolution or the payment of the Redemption Price thereof; and

Words importing the redemption of, redeeming or calling for redemption of a Bond do not include or connote the payment of such Bond at its stated maturity date, or the payment of such Bond upon declaring the same due and payable in advance of such maturity date, or the purchase of such Bond; and

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

Section 102. Successors and Assigns. Whenever the Authority is named or referred to in the Resolution, such reference shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations, and agreements by or on behalf of, and other provisions for the benefit of, the Authority which are contained in the Resolution shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Authority, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of the Resolution or to comply with or fulfill any conditions which are set forth in the Resolution.

Section 103. Parties Interested Herein. Nothing which is contained in the Resolution (expressed or implied) is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Authority, any Fiduciary, the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility, if any, or the Holders of the Bonds,

any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements which are contained in the Resolution and which are to be performed by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, any Fiduciary, the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility and the holders of the Bonds.

Section 104. Severability of Invalid Provisions. If any one or more of the covenants or agreements which are contained in the Resolution which are to be performed on the part of the Authority, any Fiduciary or any agent or employee of the Authority should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed separable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of the Resolution or of the Bonds.

Section 105. Applicable Law. The Resolution is adopted pursuant to statutes of the State of New Jersey, and the law of said State shall be applicable to its interpretation and construction.

Section 106. Short Title. This resolution may hereafter be cited by the Authority and is hereinafter sometimes referred to as the "General Bond Resolution" or the "Resolution".

ARTICLE II

Determinations By and Obligations of the Authority

Section 201. Authority for Resolution. The Resolution is hereby adopted by virtue of the Act and pursuant to its provisions, and the Authority has ascertained and hereby determines that each and every act, matter, thing or course of conduct for which provision is made in the Resolution is necessary in order to carry out and to effectuate the purposes of the Authority in accordance with the Act and to carry out powers expressly given to the Authority in the Act and to further secure the payment of the principal of, redemption premium, if any, and interest on the Bonds.

Section 202. Resolution to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of the Resolution shall be deemed to be and shall constitute contracts between the Authority, the Trustee, the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility and the Holders from time to time of the Bonds. Any pledge which is made in the Resolution and the covenants and agreements which are set forth herein and which are to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility (for as long as such Credit Facility, Liquidity Facility or Bond Reserve Credit Facility remains outstanding) and the Holders of any and all of the Bonds of a particular Series and all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds of said Series over any other thereof except as expressly provided in or pursuant to the terms of the Resolution.

Section 203. Obligation of Bonds. The Bonds shall be special obligations of the Authority and the principal of, redemption premium, if any, and interest on the Bonds shall be payable from the Revenues, moneys and accounts which are pledged under the terms of the Resolution, as and to the extent provided in Section 502 hereof. All Bonds of a particular Series and Bondholders of a particular Series of Bonds and the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility (for as long as the Authority has a reimbursement obligation to the issuer of such Credit Facility, Liquidity Facility or Bond Reserve Credit Facility) shall be entitled to the benefit of the continuing pledge and lien created by the Resolution to secure the full and final payment of the principal of, redemption premium, if any, and interest on the Bonds of a particular Series.

ARTICLE III

Authorization, Terms, Execution and Issuance of Bonds

Section 301. Authorization of Bonds. The Authority shall acquire, construct, renovate, improve, equip, furnish and install the Facilities or cause the same to be acquired, constructed, renovated, improved, equipped, furnished, installed and operated, all to the extent necessary to comply with the terms and conditions of this Resolution. In accordance with the terms of the Act and subject to and in accordance with the provisions of this Resolution and for the purpose of raising funds to pay the Costs of the Facilities, together with amounts required to be deposited into any fund or account which is established pursuant to the terms of Section 501 hereof, Bonds of the Authority, each constituting a Bond, are hereby authorized to be issued from time to time in one or more Series in an aggregate principal amount not exceeding $160,000,000 including amounts required to be deposited into any fund or account which is established pursuant to the terms of Section 501 hereof; provided, that Bonds may be issued in excess of $160,000,000 in order to provide funds for (a) the refunding of any Bonds, (b) the addition, enlargement, improvement, expansion, repair, reconstruction, restoration or substitution of the Facilities or the acquisition, construction or improvements of additional facilities, or (c) the completion of the acquisition, construction, renovation, improvement, equipping, installation and furnishing of the Facilities.

Section 302. Particular Terms of the Bonds. Each Series of Bonds shall be issued upon the terms and conditions and in the manner provided by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Bonds upon original issuance or as shall be determined by a Certificate of Authority Officer, as the case may be; provided however, that the terms of such Supplemental Resolution or Certificate of Authority Officer shall be consistent with the provisions of Section 303 hereof.

Section 303. General Terms of Bonds. (a) All Bonds shall bear such designation or title, including the words "County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project)" as may be determined by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Bonds, or as shall be determined by a Certificate of Authority Officer, as the case may be. Every Bond shall be dated, shall bear interest from such date at such rate or rates per annum or in such manner and shall mature on such dates in such principal amounts as may be fixed by such Supplemental Resolution, or as shall be determined by a Certificate of Authority Officer, as the case may be. Such Supplemental Resolution or Certificate of Authority Officer, as the case may be, may contain any other terms and provisions with respect to the Bonds which are not determined by this Resolution. The Bonds shall be payable with respect to principal or redemption premium, if any, and interest thereon in any coin or currency of the United States of America which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts, shall be issued in either the form of (1) a fully registered bond without coupons and payable to the Registered Owner, or (2) a Book-Entry Bond, and shall be substantially in the form set forth in Section 1207 hereof, with such omissions, insertions and

variations as are properly required and as are specified in a Supplemental Resolution of the Authority duly adopted prior to their authentication and delivery upon original issuance, or as shall be determined by a Certificate of Authority Officer, as the case may be.

Upon original issuance, interest on each of the Bonds shall be payable by the Paying Agent or the Trustee, as specified in the Supplemental Resolution or Certificate of Authority Officer, as the case may be, hereinafter referred to, from and after its date on the dates set forth in a Supplemental Resolution of the Authority duly adopted prior to their authentication and delivery upon original issuance, or as shall be determined by a Certificate of Authority Officer, as the case may be. All Bonds which are fully registered in form (herein called "Registered Bonds") shall be issuable in the denomination of $5,000 each, or any integral multiple thereof, and shall be in substantially the form set forth in Section 1207 hereof. All Bonds which are issued as Book-Entry Bonds shall be issuable in the denominations and in the form set forth in substantially the form set forth in Section 1207 hereof. The Bonds may be issued upon such terms and conditions, may be benefitted by such credit enhancements and may contain or may have endorsed thereon such provisions, specifications and descriptive words as are (i) not inconsistent with the provisions of this Resolution, (ii) necessary or desirable in order to comply with custom or with the rules of any securities exchange or commission or brokerage board, and (iii) authorized by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be. Interest on Registered Bonds (other than Book-Entry Bonds) shall be paid by check and shall be mailed to the Registered Owner at the most recent address appearing on the registration books of the Authority which shall be kept and maintained on behalf of the Authority by the Registrar. The principal of and redemption premium, if any, on Registered Bonds (other than Book-Entry Bonds) shall be payable upon presentation and surrender thereof by the Registered Owner or by his or her duly authorized attorney at a designated corporate trust office of the Paying Agent. The provisions relating to payment of the principal of, redemption premium, if any, and interest on Book-Entry Bonds shall be determined by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Book-Entry Bonds upon original issuance, or by a Certificate of Authority Officer, as the case may be.

(2) Toward the retirement of Bonds that are Term Bonds, there shall be due and the Authority shall pay Sinking Fund Installments on the particular dates and in such several amounts as shall be specified and determined by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Bonds upon original issuance, or by a Certificate of Authority Officer, as the case may be.

(3) In order to facilitate the issuance of Bonds, the Executive Director of the Authority is hereby authorized on behalf of the Authority to negotiate and enter into any agreement or contract constituting a credit enhancement instrument. Such credit enhancement instrument shall be provided by a commercial bank, insurance company, finance company or other financial institution, including but not limited to, letters of credit, lines of credit and municipal bond insurance. Such credit enhancement instrument may be drawn in favor of a fiduciary or agent of the Authority, including the Trustee and/or the Tender Agent, as shall be determined by a Supplemental Resolution of the Authority duly adopted prior to the

authentication and delivery of such Bonds, or, as shall be determined by a Certificate of Authority Officer, as the case may be, and such credit enhancement instrument shall be available for such fiduciary or agent for, among other things, the payment of the principal of and interest on any Bonds upon the tender of such Bonds by the holders thereof for purchase by the Authority, upon the maturity of such Bonds, and/or upon the occurrence of an Event of Default by the Authority, as provided in the Resolution. An Authorized Authority Representative is hereby authorized to negotiate and enter into any agreement or contract on behalf of the Authority with the Tender Agent, the Remarketing Agent or the Indexing Agent.

Section 304. Variable Rate Bonds. (a) Notwithstanding any other provisions of the Resolution to the contrary, Bonds may be issued as Variable Rate Bonds. Such Variable Rate Bonds shall be issued in fully registered form upon the terms and conditions set forth in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Variable Rate Bonds, or as may be determined by a Certificate of Authority Officer, as the case may be. Interest which is due and payable with respect to Variable Rate Bonds shall be based upon the Interest Index, as calculated by the Indexing Agent, and shall be payable on such dates during the Interest Payment Period, as shall be determined by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Variable Rate Bonds, or, as shall be determined by a Certificate of Authority Officer, as the case may be; provided however, that any Variable Rate Bonds which are tendered by Bondholders for purchase by the Authority may be remarketed by the Remarketing Agent at an interest rate which shall be determined by the Remarketing Agent within the limitations established by such Supplemental Resolution or such Certificate of Authority Officer, as the case may be; and provided further, that upon the occurrence of certain events, Variable Rate Bonds which are held by, or for the benefit of, a bank or other financial institution which has provided a credit enhancement instrument or liquidity facility for the Variable Rate Bonds, may bear a rate of interest which shall be determined in accordance with the terms of the Supplemental Resolution or the Certificate of Authority Officer referred to above.

(b) Upon the terms and conditions provided in the Supplemental Resolution or in the Certificate of Authority Officer referred to in subparagraph (a) above, the holders of Variable Rate Bonds may require that such Variable Rate Bonds be purchased by the Authority at the times and upon the terms which are provided therein. During the period that Variable Rate Bonds are Outstanding, the Authority may appoint a Remarketing Agent to facilitate the remarketing of any Variable Rate Bonds which have been tendered by the holders thereof for purchase by the Authority. The Authority may also appoint a Tender Agent to facilitate the purchase of such Variable Rate Bonds and the payment of the purchase price therefor.

(c) In order to facilitate the issuance of Variable Rate Bonds, the Executive Director of the Authority is hereby authorized on behalf of the Authority to negotiate and enter into any agreement or contract constituting a credit enhancement instrument or liquidity facility for the Variable Rate Bonds. Such credit enhancement instrument or liquidity facility shall be provided by a commercial bank, insurance company, finance company or other financial institution, including but not limited to, letters of credit, lines of credit and municipal bond insurance. Such credit enhancement instrument or liquidity facility may be drawn in favor of a fiduciary or agent of the Authority, including the Trustee and/or the Tender Agent, as shall be

determined by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Variable Rate Bonds, or, as shall be determined by a Certificate of Authority Officer, as the case may be, and such credit enhancement instrument or liquidity facility shall be available for such fiduciary or agent for, among other things, the payment of the principal of and interest on any Variable Rate Bonds upon the tender of such Variable Rate Bonds by the holders thereof for purchase by the Authority, upon the maturity of such Variable Rate Bonds, and/or upon the occurrence of an Event of Default by the Authority, as provided in the Resolution. An Authorized Authority Representative is hereby authorized to negotiate and enter into any agreement or contract on behalf of the Authority with the Tender Agent, the Remarketing Agent or the Indexing Agent.

(d) The Authority may provide for the mandatory or optional conversion of any Variable Rate Bond to a Bond which bears interest at a fixed interest rate for the remaining term of such Variable Rate Bond and thereby eliminate the tender option which is available to the holders thereof. The terms relative to the conversion to a fixed interest rate shall be determined by the Supplemental Resolution or by the Certificate of Authority Officer referred to in subparagraph (a) above.

(e) All of the provisions of the Resolution, other than as specifically provided by this Section 304, or in the Supplemental Resolution or the Certificate of Authority Officer referred to in paragraph (a) above, shall be applicable to any Variable Rate Bonds which are authorized to be issued pursuant to this Section 304.

Section 305. Execution of Bonds. Each Bond shall be executed in the name and on behalf of the Authority by the manual or facsimile signature of its Chairman, Vice Chairman or Executive Director and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted or otherwise reproduced and attested by the manual or facsimile signature of its Secretary or Assistant Secretary. In the event that any officer who shall have signed, sealed or attested any of the Bonds shall cease to be such officer of the Authority before the Bonds so signed, sealed or attested shall have been authenticated and delivered by the Trustee upon original issuance, such Bonds may nevertheless be authenticated and delivered as herein provided as if the person who signed, sealed or attested such Bonds had not ceased to be such officer. Any Bonds may be signed, sealed or attested on behalf of the Authority by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of such Bond such person may not have held such office.

Section 306. Authentication of Bonds. The Bonds shall bear thereon a certificate of authentication, substantially in the form set forth in Section 1207 hereof, which shall be duly executed upon original issuance by an authorized signature of the Trustee (after such Bonds have been registered by the Registrar), and thereafter, by an authorized signature of the Registrar (except in the case of Book-Entry Bonds, other than the redemption of a portion of such Book-Entry Bonds, in which case the portion of such Book-Entry Bonds which are not redeemed shall be registered by the Registrar). Only such Bonds as shall bear such certificate of authentication thereon, and which have been duly executed, shall be entitled to any right or benefit under the terms of this Resolution. No Bond shall be valid or obligatory for any purpose unless such certificate of authentication upon such Bond shall have been duly executed by the Trustee or by

the Registrar, as the case may be. The certificate of authentication upon any Bond shall be conclusive and the only evidence that the Bond so authenticated has been duly authenticated and delivered under the terms of this Resolution and that the Holder thereof is entitled to the benefit of the Resolution.

Section 307. Interchangeability of Bonds. Registered Bonds, upon surrender thereof at a designated corporate trust office of the Registrar, together with a written instrument of transfer which is satisfactory to the Registrar and which is duly executed by the Registered Owner thereof or by his attorney duly authorized in writing, accompanied by a signature guarantee, may, at the option of such Registered Owner, be exchanged for Registered Bonds of the same Series, designations, maturity and interest rate of any other of the authorized denominations. Book-Entry Bonds shall be subject to exchange upon the terms and conditions provided in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Book-Entry Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be.

Section 308. Registration of Registered Bonds and Agency Therefor. The Authority shall cause the Registrar to maintain and keep books for the registration and transfer of the Bonds, and, upon presentation thereof for such purpose at the designated office of the Registrar, together with a written instrument of transfer which is satisfactory to the Registrar, and which is duly executed by the Registered Owner thereof or by his attorney duly authorized in writing, the Registrar shall register or cause to be registered therein, and permit to be transferred thereon or to be exchanged, under such reasonable regulations as the Registrar may prescribe, any Registered Bond which shall be entitled to registration, transfer or exchange. The Registrar is hereby appointed by the Authority to serve as its agent for such registration, transfer or exchange of Bonds. Provisions relating to the transfer and registration of Book-Entry Bonds shall be determined by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Book-Entry Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be. Notwithstanding anything contained herein to the contrary, upon the occurrence of an Event of Default requiring payment of all or any portion of the principal of and interest on the Bonds by the issuer of any Credit Facility, the Registrar shall provide the issuer of such Credit Facility and its designated agent with access to the registration books of the Authority.

Section 309. Transfer of Registered Bonds. Each Registered Bond shall be transferable only upon the registration books of the Authority at the designated office of the Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer which is satisfactory to the Registrar and which is duly executed by the Registered Owner or by such duly authorized attorney, together with a signature guarantee and such other and further documentation as the Registrar may reasonably request. Upon the transfer of such Registered Bond, the Authority shall execute, and the Registrar shall authenticate and deliver or make available for pick-up, a new Bond or Bonds (registered in the name of the transferee) of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Bond. Provisions relating to the transfer of Book-Entry Bonds shall be determined by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery

of such Book-Entry Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be.

Section 310. Ownership of Bonds and Effect of Registration. As of the Record Date, the Authority and any Fiduciary may treat and consider the person in whose name any Registered Bond is registered as the Holder and absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of, redemption premium, if any, or interest thereon and for all other purposes whatsoever, and payment of, or on account of, the principal of, redemption premium, if any, or interest on such Bond shall be made only to, or upon the order of, such Registered Owner thereof. However, such registration may be changed or discharged as provided in the Resolution. All payments which are made as provided in this Section shall be valid and effectual to satisfy and discharge the Authority's liability upon the Bonds to the extent of the sum or sums so paid.

Section 311. Re-issuance of Mutilated, Destroyed, Stolen or Lost Bonds. In case any Outstanding Bond shall become mutilated or shall be destroyed, stolen, or lost, the Registrar shall authenticate and deliver or make available for pick-up, a new Bond of like tenor, number and amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Bond and upon surrender of such mutilated Bond or in lieu of and in substitution for the Bond destroyed, stolen or lost, upon filing with the Registrar of evidence which is satisfactory to the Authority and the Registrar that such Bond has or have been destroyed, stolen or lost, and together with a signature guarantce and such other and further documentation as the Registrar may reasonably request. The owner of such Bond shall also provide the Registrar with proof of the ownership thereof, and shall furnish the Authority and the Registrar with indemnification satisfactory to them and shall comply with such other reasonable regulations, as the Authority and the Registrar may prescribe, and the owner of such Bond shall pay such expenses as the Authority and the Registrar may incur in connection therewith. In lieu of reissuing a mutilated, destroyed, lost or stolen Bond which is due and payable or which will be due and payable within sixty (60) days thereof, the Authority may pay the amount which is due on such Bond to the owner or Holder thereof, provided all of the requirements of this Section have been met.

Section 312. Regulations with Respect to Registrations, Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Registered Bonds is exercised, the Authority shall execute and the Registrar shall authenticate new Bonds in accordance with the provisions of the Resolution. For every registration, exchange or transfer of Bonds, the Authority or the Registrar, as the case may be, may charge a sum which is sufficient to reimburse them for any tax or other governmental charge or other fees which are required to be paid, which sum, if not otherwise provided for, shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of effecting such registration, exchange or transfer. During the fifteen days next preceding any interest payment date of the Bonds, or in the case of any proposed redemption of Bonds, subsequent to the date next preceding the date of the first publication or mailing of notice of such redemption, neither the Authority nor the Registrar shall be required to make any registration, transfer or exchange of any Bonds under the provisions of this Article. The Registrar shall, if requested by the Authority, deliver to the Authority a statement of all Bonds issued in lieu of or in substitution for

other Bonds pursuant to the terms of this Article, including a report of the description and disposition of such other Bonds.

Section 313. No Recourse on Bonds. No recourse shall be had for the payment of the principal of, redemption premium, if any, or the interest on the Bonds or for any claim based thereon or on this Resolution against any member or officer of the Authority or any person executing the Bonds, including the Trustee or the Registrar, as the case may be. The Bonds are not and shall not be in any way a debt or liability of the State of New Jersey or of any county or any municipality and do not and shall not create or constitute any indebtedness, liability or obligation of said State or of any county or any municipality, either legal, moral or otherwise.

Section 314. Temporary Bonds. Until Bonds in definitive form are ready for delivery, the Authority may execute, and upon its written request, the Trustee upon original issuance, and thereafter the Registrar, shall authenticate and deliver one or more printed, lithographed or typewritten Bonds in temporary form, substantially of the tenor of the Bonds hereinbefore described, together with any appropriate omissions, variations and insertions. Such Bond or Bonds in temporary form shall be in such authorized denominations as the Authority may determine. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit of the Resolution. The Authority shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form, the Registrar shall authenticate and deliver, in exchange therefor, a Bond or Bonds in definitive form in authorized denominations of the same maturity and for the same aggregate principal amount as the surrendered Bond or Bonds in temporary form. Such exchange shall be made by the Authority without making any charge therefor except that the Authority may require payment of a sum which is sufficient to cover any tax or other governmental charge that may be imposed upon it in connection therewith.

Section 315. Issuance of Each Series of Bonds and Disbursement of Proceeds of Sale and Other Funds. Upon execution by the Authority, any Series of Bonds authorized to be issued under Section 301 hereof shall be delivered to the Trustee for authentication by the Trustee upon original issuance, and thereupon the Bonds shall be authenticated by the Trustee. Upon fulfillment of the conditions hereinafter set forth, the Bonds shall be delivered by the Trustee to the Authority or upon its order. The proceeds which are derived from the sale of each Series of Bonds, including accrued interest thereon, together with other funds, if any, which are held by the Authority and which are not pledged or otherwise committed for a specific purpose, shall simultaneously with the issuance of each such Series of Bonds, be paid by the Authority as follows:

(a) To the Trustee, to be deposited in the Bond Service Fund, a sum equal to the accrued interest, if any, on the Series of Bonds from the date of the Bonds to the date of delivery thereof, and the amount, equal to capitalized interest, if any, on the Series of Bonds, as reflected in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Series of Bonds, or, as shall be determined by a Certificate of Authority Officer, as the case may be;

(b) To the Trustee, to be deposited in the Construction Fund, (i) the amount which is estimated to be necessary to pay the Costs and expenses incurred or to be incurred by the Authority in connection with the issuance and delivery of the Series of Bonds, and (ii) the amounts remaining after deducting the amounts referred to in subparagraphs (a), (c) and (d) have been made;

(c) To the Trustee, to be deposited in the Bond Reserve Fund, either an amount which is required to be so deposited so that the amount on deposit therein equals the Bond Reserve Requirement or a Bond Reserve Credit Facility having a stated amount which (together with any proceeds so deposited) is required to be so deposited so that the amount on deposit therein equals the Bond Reserve Requirement; and

(d) If any Series of Bonds are secured by a Credit Facility and/or a Liquidity Facility, to the issuer of such Credit Facility, the amount which is due and payable for or with respect to the issuance of such Credit Facility and/or Liquidity Facility.

In the event that any Series of Bonds shall be issued as Variable Rate Bonds, the Supplemental Resolution of the Authority or Certificate of Authority Officer authorizing the issuance of such Variable Rate Bonds shall also set forth any additional provisions with respect to the application of such proceeds in connection with the issuance of such Variable Rate Bonds.

In the event that any Series of Bonds are issued which pay interest on dates which are different from the established interest payment dates of Outstanding Bonds, there shall be no requirement that, on any interest payment date of any Bond, the Trustee establish reserves for the benefit of the Holder of any Bond on which interest is not being then paid unless otherwise required under the terms of the Resolution, the terms of any Supplemental Resolution of the Authority or the terms of a Certificate of Authority Officer.

Section 316. Conditions Precedent to Issuance of Each Series of Bonds. (1) The Trustee shall not deliver to the Authority, or upon its order, any Bonds pursuant to the terms of the Resolution unless theretofore or simultaneously therewith there shall have been delivered or paid to the Trustee the following:

(a) A copy of the General Bond Resolution, certified by the Secretary or Assistant Secretary of the Authority;

(b) A copy of the Supplemental Resolution of the Authority, if any, certified by the Secretary or Assistant Secretary of the Authority fixing the rate or rates of interest or the maximum rates of interest on such Series of Bonds and all other terms and provisions of such Series of Bonds which are not fixed by the terms of the General Bond Resolution and a copy of each amending resolution of the Authority, if any, which has been duly adopted prior to the authentication and delivery of such Series of Bonds pursuant to and in accordance with the provisions of Section 801 hereof, each certified by the Secretary or Assistant Secretary of the Authority;

(c) A copy of the Certificate of Authority Officer, if any, duly executed in

connection with the sale of the Bonds, as provided in Sections 302 and 303 hereof;

(d) The written order of the Authority as to the delivery of the Series of Bonds, signed by an Authorized Authority Representative and stating the amount of the proceeds which have been derived from the sale of the Bonds;

(e) An opinion of Bond Counsel stating, in the opinion of the signer, that (i) the General Bond Resolution, each Supplemental Resolution referred to in subparagraph (b) above and each Certificate of Authority Officer referred to in subparagraph (c) above have been duly and lawfully adopted by the Authority or executed by an Authorized Authority Representative, as the case may be, are each in full force and effect and are valid and binding on the Authority, the Trustee and the Holders of the Series of Bonds in accordance with their respective terms, and that all conditions precedent to the authentication of such Series of Bonds by the Trustee upon original issuance have been satisfied and that the Trustee may lawfully authenticate such Series of Bonds; (ii) the Certificate of Authority Officer, if applicable, is valid and binding on the Authority in accordance with its terms; (iii) the Resolution creates the valid pledge which it purports to create of the Revenues, moneys, securities and funds which are held or set aside under the terms of the Resolution, subject to the application thereof to the purposes and on the conditions permitted by the terms of the Resolution for repayment of such Bonds; and (iv) the Bonds of such Series are valid and binding obligations of the Authority, as provided in the Resolution, and are entitled to the benefits of the Resolution and of the Act, and that such Bonds have been duly and validly authorized and issued in accordance with law, including the Act, and in accordance with the terms of the Resolution; provided however, that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors' rights generally;

(f) A copy of Lease 3, certified by the Secretary or Assistant Secretary of the Authority, together with any consents which are required to be obtained from the County with respect to the assignment of Lease 3, as provided in Section 512 hereof;

(g) A Counsel's Opinion, stating, in the opinion of the signer, that (i) the Authority has the right and power under the Act and other applicable law to enter into Lease 3; (ii) the execution of Lease 3 has been duly and lawfully authorized by the Authority; and (iii) Lease 3 has been duly and lawfully executed by the Authority, is in full force and effect, is valid and binding upon the Authority and is enforceable in accordance with its terms; provided however, that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors' rights generally;

(h) A Counsel's Opinion of counsel to the County, stating, in the opinion of the signer, that (i) the County has the right and power to enter into Lease 3; (ii) the execution of Lease 3 has been duly and lawfully authorized by the County; and (iii) Lease 3 has been duly and lawfully executed by the County, is in full force and effect, is valid and binding upon the County and is enforceable in accordance with its terms; provided however, that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors' rights generally;

(i) The amounts or instruments which are required to be delivered to the Trustee pursuant to the terms of Section 315 hereof;

(j) If any Series of Bonds are entitled to the benefits of a Credit Facility and/or a Liquidity Facility, the original of such Credit Facility and/or Liquidity Facility issued with respect to such Series of Bonds;

(k) If such Series of Bonds are entitled to the benefits of a Credit Facility or Liquidity Facility, an opinion of counsel to any issuer of a Credit Facility or issuer of a Liquidity Facility, stating, in the opinion of the signer, that such Credit Facility or Liquidity Facility, as the case may be, constitutes the legal, valid and binding obligation of the issuer of such Credit Facility or Liquidity Facility, as the case may be, and is enforceable in accordance with its terms; provided however, that, such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, or other laws effecting creditors' rights generally;

(l) A Certificate of Authority Officer setting forth (1) the aggregate principal amount of Bonds which are issued on the date of such Certificate, (2) the aggregate principal amount of each Series of Bonds, if any, issued by the Authority prior to the date of such Certificate and including the date each such Series of Bonds was issued, and (3) that no default has occurred and is continuing under the terms of the Resolution and Lease 3;

(m) With respect to the issuance of any Bonds which are issued as Variable Rate Bonds, such other documents as may be required by the terms of a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Bonds, or, as may be required by a Certificate of Authority Officer executed in connection with the sale of such Series of Bonds;

(n) A Certificate of Authority Officer setting forth a listing of any additional documents which are required to be executed and delivered pursuant to the terms of any contract which is executed by or on behalf of the Authority in connection with the sale of such Series of Bonds;

(o) Each of the documents which are set forth in the Certificate of Authority Officer described in paragraph (n) above, unless waived by the purchaser of such Series of Bonds;

(p) A Certificate of an Authorized County Representative stating that no default has occurred and is continuing under the terms of Lease 3; and

(q) In the event that such Series of Bonds are issued as Tax-Exempt Obligations, an opinion of Bond Counsel to the effect that the interest on such Series of Bonds is not includable as gross income under the provisions of the Code.

(2) The Authority shall not be required to liquidate any securities then held by

it for the purpose of payment of the aforementioned amounts to the Trustee, and the Trustee shall be authorized and directed to accept any such securities in whole or in part as funds delivered under authority of this Section provided that such securities would constitute Investment Obligations under the provisions of the Resolution applicable to the fund or account into which such securities are deposited; provided however, that in such event, the Trustee shall receive an opinion of Bond Counsel to the effect that such actions will not, in and of itself, cause the interest on any Outstanding Bonds issued as Tax-Exempt Obligations to be includable in gross income for federal tax purposes.

Section 317. Purposes, Authorization and Description of Additional Bonds. (1) After the execution, authentication and delivery of the Bonds, Additional Bonds of the Authority may be authorized to be issued pursuant to and in accordance with the terms of the Act either (a) for the purpose of raising funds to pay the Cost of the addition, enlargement, improvement, expansion, repair, reconstruction, restoration or substitution of the Facilities or the acquisition, construction or improvements of any additional Facilities, including any deposit or increase into any fund or account which has been established by the Resolution and which is incidental thereto or which is deemed by the Authority to be necessary in connection therewith, and including payment on or prior to maturity of project notes, if any, including interest thereon, previously issued by the Authority to pay such Costs, (b) for the purpose of refunding any Bonds, or (c) to raise funds to complete any work for which Bonds were issued.

(2) Any Series of Additional Bonds of the Authority shall be issued only after authorization thereof by a Supplemental Resolution of the Authority duly adopted prior to their authentication and delivery upon original issuance. Such Supplemental Resolution shall state the purpose or purposes for which such Additional Bonds are being issued, shall direct the application of the proceeds which are to be derived from the sale thereof to such purpose or purposes, and shall direct the execution and authentication thereof. Such Supplemental Resolution or a Certificate of Authority Officer, as the case may be, shall fix and determine the date, principal amount, denominations, designation and numbers thereof, the rate or rates of interest or maximum rate of interest to be borne thereby, the place or places of payment therefor, the redemption privileges of the Authority, if any, with respect thereto, the amount and date of each Sinking Fund Installment for the retirement of any Term Bonds, and any other provisions thereof, all in accordance with the terms of the Resolution. Upon such authorization, such Additional Bonds may upon original issuance, at one time, or from time to time, be executed by or on behalf of the Authority and delivered to the Trustee for authentication by the Trustee, as provided in the Resolution, and thereafter such Additional Bonds shall be authenticated by the Trustee upon original issuance and, upon fulfillment of the applicable conditions set forth in Section 318 hereof, shall be delivered by the Trustee to the Authority, or upon its order.

(3) All Additional Bonds shall be substantially in the form and tenor of Bonds, as provided in Section 303 and Section 1207 hereof, except that, notwithstanding any other provision contained in the Resolution to the contrary, such Additional Bonds shall be issued in such principal amounts, shall be of such denominations, shall bear such dated date and such maturity date or dates, shall bear such designation as to Series, numbers or symbols prefixed to their number distinguishing them from each other Bond, and shall be subject to redemption prior to maturity on such terms and conditions which are consistent with the provisions of the

Resolution, and shall bear interest from such date at such rate or such different or varying rates of interest per annum and shall be payable at such times as may be fixed by the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds or by a Supplemental Resolution of the Authority duly adopted prior to authentication and delivery of such Additional Bonds upon original issuance, or by a Certificate of Authority Officer, as the case may be.

(4) All Additional Bonds which are authorized by any one Supplemental Resolution of the Authority shall constitute Bonds of a single or multiple Series, as specifically provided in such Supplemental Resolution. No bonds shall constitute Additional Bonds unless they are authenticated by the Trustee upon original issuance, and thereafter by the Registrar (except as provided herein with reference to Book-Entry Bonds), as provided in the Resolution, nor shall such Additional Bonds be entitled to any right or benefit under the Resolution unless they are so authenticated, and no Additional Bond shall be valid and obligatory for any purpose of the Resolution unless said Additional Bond shall have been so authenticated.

(5) After their authentication and delivery by the Trustee upon original issuance, Additional Bonds of a particular Series shall for all purposes hereof be deemed to constitute Bonds under this Resolution and shall be on parity with all Bonds issued pursuant to this Resolution and shall be entitled to the pledge of the Revenues and other moneys and accounts provided by the Resolution and by Supplemental Resolution of the Authority or by Certificate of Authority Officer and such Additional Bonds shall be entitled to the security and benefit of such pledge and of the provisions of the Resolution.

(6) If Additional Bonds are issued which pay interest on dates which are different from the established interest payment dates of Outstanding Bonds, there shall be no requirement that, on an interest payment date of any Bond, the Trustee establish reserves for the benefit of the Holder of any Bond on which interest is not being then paid, unless otherwise required under the terms of the Resolution or the terms of any Supplemental Resolution of the Authority.

Section 318. Conditions Precedent to Issuance of Additional Bonds. (1) The Trustee shall not authenticate or deliver upon original issuance any Additional Bonds to the Authority, or upon its order, unless theretofore or simultaneously therewith there shall have been delivered or paid to the Trustee, among other things, in addition to the documents or amounts required to be delivered pursuant to the provisions of Section 316 hereof (except to the extent otherwise provided in this Section 318) the following:

(a) A copy of the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds, stating the purpose or purposes for the issuance of such Additional Bonds and otherwise conforming with the provisions of Section 317 hereof, and if such Additional Bonds are authorized for any purpose other than the refunding of Bonds, such Supplemental Resolution shall describe in brief and general terms the additional facilities or the completion of the Facilities or prior additional facilities, as the case may be, to be financed by the issuance of such Additional Bonds, each certified by the Secretary or Assistant Secretary of the Authority;

(b) A copy of the Supplemental Resolution which has been duly adopted by the Authority or Certificate of Authority Officer, as the case may be, fixing the rate or rates of interest on such Additional Bonds and all other terms and provisions thereof which are not fixed by the Supplemental Resolution referred to in subparagraph (a) above, or in the Resolution, if any, certified by the Secretary or Assistant Secretary of the Authority;

(c) A certificate of an Authorized County Representative to the effect that Lease 3 has been amended, if necessary, to insure that such Lease 3 shall be applicable to the Additional Bonds. If no amendment is required, a Counsel's Opinion stating same shall be delivered to the Trustee;

(d) The written order of the Authority as to the delivery of such Additional Bonds, signed by an Authorized Authority Representative and stating, among other things, (1) the amount of the proceeds derived from the sale of such Additional Bonds, (2) the amount, if any, of such proceeds which will be paid by the Authority to the Trustee for deposit in the Bond Service Fund, and (3) the amount, if any, or the delivery of a Bond Reserve Credit Facility, or any combination of the foregoing, which in any case, is required to be deposited in the Bond Reserve Fund so that the amount in such fund equals the Bond Reserve Requirement immediately after the authentication and delivery of such Additional Bonds;

(e) The amount, if any, which is stated in said written order as the amount of such proceeds which will be paid by the Authority to the Trustee for deposit in the Bond Service Fund, which amount shall be deposited by the Trustee in the Bond Service Fund and held therein;

(f) The amount, if any, which is stated in said written order as the amount of such proceeds which will be paid by the Authority to the Trustee for deposit in the Bond Reserve Fund, which amount shall be deposited by the Trustee in the Bond Reserve Fund and held therein, or a Bond Reserve Credit Facility in an amount which satisfies the requirement of paragraph (d)(3) above;

(g) If such Additional Bonds are authorized for a purpose which is described in clause (a) of paragraph (1) of Section 317 hereof, a certificate of the Consulting Engineer stating (1) the opinion that the improvement which is described in the Supplemental Resolution described in subparagraph (a) above constitutes additional facilities, (2) the opinion that the remainder of such proceeds after deducting the amounts referred to in clauses (e) and (f) above will, together with any other funds of the Authority which are then available or which are expected to be available therefor, be sufficient to pay the Cost of the acquisition or construction of such improvement, and (3) the opinion as to the period of time which will be required for completion of the acquisition or construction of the improvement;

(h) The amount of such proceeds which will remain after deducting the amount, if any, paid to the Trustee in accordance with the terms of subparagraphs (e) and (f) above, as applicable to such Series of Bonds, which amount shall be paid to the Trustee and applied in accordance with the provisions of paragraph (2) or paragraph (3) of Section 317;

(i) If such Additional Bonds are authorized for the purpose described in clause (c) of paragraph (1) of Section 317 hereof, a certificate of the Consulting Engineer stating (1) that the improvement for which the Additional Bonds are to be issued is one for which Bonds had theretofore been issued and (2) the amount of proceeds which are to be deposited in the Construction Fund, and that such proceeds, together with any other funds of the Authority which are then available or which are expected to be available therefor, will be sufficient, in his opinion, to pay the Cost of the completion of the acquisition or construction of said improvement;

(j) An opinion of Bond Counsel approving the form of the Supplemental Resolution authorizing the issuance of the Additional Bonds and stating (1) that such Bonds are authorized to be issued for a purpose referred to in Section 317(1) hereof, (2) that its terms and provisions conform to the requirements of the Act and the Resolution, (3) that the written order, certificates and amounts of money which are delivered or paid to the Trustee in accordance with the provisions of this Section 318 constitute compliance with the conditions hereinabove stated for the authentication and delivery of such Additional Bonds, (4) that all of the conditions precedent to the authentication and delivery of the Additional Bonds have been satisfied and that the Trustee may lawfully authenticate the Additional Bonds upon original issuance, and (5) that upon the execution, authentication and delivery of the Additional Bonds, all Revenues thereafter to be derived will be pledged under and subject to the lien and the pledge created by the Resolution free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto, except to the extent specifically provided herein;

(k) If the Additional Bonds are entitled to the benefits of a Credit Facility and/or Liquidity Facility, the original of such Credit Facility and/or Liquidity Facility issued with respect to such Additional Bonds, together with the amount of any premium or fee which is due and payable upon delivery of the Additional Bonds with respect to such Credit Facility and/or Liquidity Facility from the proceeds derived from the sale of such Additional Bonds;

(l) If such Series of Additional Bonds are entitled to the benefits of a Credit Facility or Liquidity Facility, an opinion of counsel to any issuer of a Credit Facility or issuer of a Liquidity Facility, stating, in the opinion of the signer, that such Credit Facility or Liquidity Facility, as the case may be, constitutes the legal, valid and binding obligation of such issuer of the Credit Facility or issuer of the Liquidity Facility, as the case may be, and is enforceable in accordance with its terms; provided however, that, such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, or other laws effecting creditors' rights generally;

(m) With respect to the issuance of any Additional Bonds which are issued as Variable Rate Bonds, such other documents as may be required by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Additional Bonds upon original issuance or a Certificate of Authority Officer executed prior to or simultaneously with delivery of the Additional Bonds upon original issuance;

(n) A Certificate of Authority Officer setting forth a listing of any additional

documents which are required to be executed and delivered pursuant to the terms of any contract which is executed by or on behalf of the Authority in connection with the sale of the Additional Bonds;

(o) Each of the documents which are set forth in the Certificate of Authority Officer described in paragraph (n) above, unless waived by the purchaser of such Additional Bonds;

(p) A Certificate of an Authorized County Representative stating that no default has occurred and is continuing under the terms of Lease 3;

(q) Such other documents as may be required by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Additional Bonds upon original issuance; and

(r) (1) In the event that such Additional Bonds are issued as Tax-Exempt Obligations, an opinion of Bond Counsel stating that the interest on such Additional Bonds is not includable as gross income under the provisions of the Code and that the issuance of such Additional Bonds will not cause the interest on any Outstanding Bonds which were issued as Tax-Exempt Obligations to be includable as gross income under the provisions of the Code.

(2) If such Additional Bonds are authorized for the purpose which is described in clause (a) or (c) of paragraph (1) of Section 317 hereof, the Trustee shall deposit the proceeds which are derived from the sale thereof which are referred to in subparagraph (h) of paragraph (1) of this Section in the Construction Fund, and the moneys so deposited shall be applied by the Authority and by the Trustee to pay the Cost of the acquisition, construction or improvement which is described in the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds.

(3) If such Additional Bonds are authorized for the purpose which is described in clause (b) of paragraph (1) of Section 317 hereof, the Trustee shall apply the remaining proceeds which are derived from the sale thereof and which are referred to in subparagraph (h) of paragraph (1) of this Section as follows: (a) an amount as is set forth in a Certificate of Authority Officer which is sufficient to pay the costs incurred in connection with the authorization, issuance and delivery of such Additional Bonds shall be deposited in the Construction Fund, and (b) the remaining amounts shall be applied to the refunding of such Bonds in accordance with the terms of the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds or the Certificate of Authority Officer relating to the issuance of such Additional Bonds.

(4) In the event that such Additional Bonds are entitled to the benefit of a Credit Facility, any additional conditions precedent to the issuance of such Additional Bonds which are required under the terms of such Credit Facility shall be determined by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Additional Bonds or Certificate of Authority Officer executed prior to or simultaneously with the authentication and delivery of such Additional Bonds.

ARTICLE IV

Construction Fund

Section 401. Establishment of Construction Fund. The Authority hereby establishes and creates a special fund, designated the "Construction Fund" which shall be held by the Trustee and in which may be deposited any moneys which are received by the Authority from any source for payment of Costs related to the acquisition, construction, repair, renovation, improvement, equipping, furnishing or installation of the Facilities, the proceeds (or any portion thereof) derived from the issuance of any Bonds, the proceeds of any insurance or any condemnation award and which are to be applied by the Authority for the acquisition, construction, repair, renovation, improvement, equipping, furnishing or installation of any portion of the Facilities or the substitution of the Facilities. Amounts which are deposited in the Construction Fund shall be held by the Trustee in trust and shall be applied (in accordance with and subject to the limitations of this Article) to pay the Costs of the Facilities, and such moneys are hereby pledged, pending application to the payment of such Cost, to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds and such moneys shall at all times be subject to the lien of such pledge. The Trustee shall establish within the Construction Fund a separate account for the Facilities and for any additional Facilities which are described in any Supplemental Resolution of the Authority which has been duly adopted pursuant to the terms of Section 317 hereof. Any insurance proceeds and any proceeds derived from any condemnation award which are received by or on behalf of the Authority in connection with rebuilding or reconstructing any part of the Facilities or additional Projects shall be deposited in the appropriate account in the Construction Fund. Notwithstanding anything above to the contrary, the Trustee may from time to time establish subaccounts within any account which is created with respect to the Facilities.

Section 402. Purpose of the Construction Fund. The Trustee shall make payment from the Construction Fund for payment of the Costs of the Facilities in accordance with, and upon satisfaction of, the terms of this Article. All payments from the Construction Fund shall be subject to the provisions and restrictions set forth in this Article and the Authority shall not cause or permit to be paid from the Construction Fund any sums except in accordance with such provisions and restrictions.

Section 403. Payments from Construction Fund. (1) The Trustee shall make payments from the Construction Fund, in the amounts, at the times, in the manner, and on such other terms and conditions as are set forth in this Section. Before any such payment shall be made, the Authority shall file with the Trustee:

(a) its written requisition therefor, duly executed by an Authorized Authority Representative, to which shall be attached a voucher signed by an Authorized Authority Representative stating with respect to each payment to be made: (1) either the applicable paragraph of this Section 403 hereof or Section 404 hereof pursuant to which such requisition is provided, (2) the name of the person, firm or corporation to whom payment is due (to the extent the Authority designates more than one person, firm or corporation for payment, the payment shall be made jointly to such persons, firms or corporations), (3) the amount which is to be paid,

and (4) in reasonable detail, the purpose for which the obligation was incurred;

(b) its voucher attached to the requisition, duly executed by an Authorized Authority Representative, certifying: (1) that obligations in the stated amounts have been incurred by the Authority and are due and payable, and that each item therefor is a proper charge against the Construction Fund, is a proper Cost of the Facilities and has not been previously paid and has not been the basis of any prior payment from the Construction Fund, (2) that the Authority has not received or been served with a notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of any of the moneys which are payable under such requisition to any of the persons, firms or corporations named in such requisition, or if any such lien, attachment or claim has been filed with or served upon the Authority, that such lien, attachment or claim has been released or discharged, and (3) that such requisition contains no item which represents payment on account of any retained percentages which the Authority is at the date of such certificate entitled to retain; and

(c) in the case of expenses which have been incurred by the Authority for studies, surveys and estimates, engineering borings, preliminary investigations to determine foundation or other conditions, estimates of costs or revenues and other estimates which are necessary or incidental to determining the feasibility or practicability of the Facilities, or the applicable portion thereof, or payments which are to be made for labor and to contractors, builders and materialmen in connection with such construction or payments which are to be made for restoration of Facilities which has been damaged or destroyed in connection with such construction, a Certificate of an Authorized Authority Representative, attached to such requisition, certifying that the Authority has made reasonable investigations and that to the best knowledge of the Authority each such obligation has been properly incurred by the Authority, and that insofar as such obligation was incurred for work, materials, supplies or equipment, such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Facilities or that such materials, supplies or equipment were fabricated for the construction thereof.

Upon the receipt of each such requisition and such accompanying certificates, the Trustee shall either pay such requisition directly or shall transfer from the Construction Fund to the credit of a special account in the name of the Authority, an amount which is equal to the total of the amounts which are required to be paid, as set forth in such requisition, and the amounts which are on deposit in such special account are to be held solely for the payment of the obligations set forth in such requisition. In making such payment or transfer, the Trustee may conclusively rely upon such requisition and such accompanying certificates. If moneys for the payment thereof have been transferred to such special account, each such obligation shall be paid by the Authority by check and such check shall be signed by an Authorized Authority Representative, and such check shall be drawn on such special account to the order of the person or persons named in the requisition and such check shall in all respects conform with the terms of the requisition. Moneys which are deposited to the credit of such special account shall be deemed to be a part of the Construction Fund until such amount is paid out as provided above. If prior to the payment of any item from such special account, the Authority should decide not to make payment of such item for any reason, an Authorized Authority Representative shall give written notice of such decision to the Trustee and thereupon the Authority shall transfer the

amount of such item from such special account to the Trustee for deposit into the Construction Fund. The Trustee shall have no further obligation with respect to such funds upon disbursement from the special account or with respect to the propriety of such disbursement.

Section 404. Requisitions with Respect to Land Costs. If any requisition which is filed with the Trustee in accordance with the terms of Section 403 hereof contains any item for payment of the Cost and expense of the acquisition of any lands, easements, or rights or interests in or relating to lands, there shall be attached to such requisition, before any transfer or payment with respect to such item shall be made, in addition to the certificates mentioned in Section 403 above, the following:

(a) a Certificate of an Authorized Authority Representative stating that, in his reasonable judgment, such lands, easements, rights or interests are being or have been acquired by the Authority and (1) are necessary or useful and convenient for the construction or acquisition of the Facilities, and (2) that such acquisition is a reasonable, prudent and technically feasible means or method of complying with the Authority's responsibilities under Lease 3; and

(b) either (1) a policy of title insurance which insures the conveyance of good and marketable title, (2) a title report which states that the Authority has acquired a fee simple interest in such lands, easements, or rights or interests, except for Permitted Encumbrances, or (3) a Counsel's Opinion of counsel to the Authority stating, in the opinion of the signer, that the Authority has the power and legal authority to acquire such lands, easements, rights or interest, and that the Authority will have, upon the payment of such item, such right title and interest as is or will be sufficient to provide the Authority with such undisturbed possession as the Authority requires for its purposes.

Section 405. Interim Investment of Construction Fund. Any moneys which are held in the Construction Fund (or in any subaccount created and established pursuant to the provisions of Section 401 hereof) shall be invested by the Trustee, at the oral direction of an Authorized County Representative (promptly confirmed in writing), in Investment Obligations; provided however, that the maturity of every such Investment Obligation shall not be later than the time when such funds are needed to be applied to pay Costs of the Facilities. Unless otherwise determined by a Certificate of an Authorized Authority Representative, investment income shall be held in the Construction Fund and applied in accordance with the terms of Article IV and Section 1206 hereof.

Section 406. Disposition of Balance in Construction Fund. (a) The Trustee, when directed in writing by an Authorized Authority Representative, shall apply the balance which is on deposit in the Construction Fund as provided in, and upon the terms and conditions set forth herein. Before any such application shall be made, the Authority shall file a Certificate of an Authorized Authority Representative with the Trustee and such certificate shall state the portion of the Facilities for which the funds were deposited in the Construction Fund has been completed in accordance with the plans and specifications therefore and the date of such completion, and that the sum stated in the certificate is sufficient to pay, and is required to be reserved in the Construction Fund to pay, all items of Cost of such portion of the Facilities which, as of the date of such certificate, remain unpaid, including an estimate of the amount of any such items which

are not finally determined and all claims against the Authority arising out of the construction thereof, and that no amounts are due and owing to any contractor relating to services provided or equipment or material purchased for or with respect to the Facilities.

(b) Upon receipt of such Certificate of Authorized Authority Representative, the Trustee shall apply the balance in the Construction Fund, in excess of the amount stated in the certificate referred to in subparagraph (a) above, to either (1) payment of Costs of any portion of the Facilities (other than the portion referred to in such certificate), (2) payment of the principal of or interest on the Bonds, (3) payment of any Sinking Fund Installment of any Series of Bonds issued for or with respect to the Facilities, (4) payment of the Redemption Price of any Bonds, all in accordance with the Certificate of Authorized Authority Representative, or (5) any other Costs of the Facilities which, in the opinion of Bond Counsel, will not in and of itself cause the interest on any Bonds issued as Tax-Exempt Obligations to be included in gross income for purposes of the Code.

ARTICLE V

Revenues and Funds

Section 501. Establishment of Funds. (1) In addition to the Construction Fund, the Authority hereby establishes and creates the following special funds:

(a) Revenue Fund;

(b) Bond Service Fund;

(c) Sinking Fund;

(d) Bond Reserve Fund;

(e) General Fund; and

(f) Rebate Fund.

(2) Each of said funds shall be held by the Trustee.

(3) Other funds or accounts may be created by Supplemental Resolution of the Authority duly adopted or by Certificate of Authority Officer duly executed prior to the authentication and delivery of a particular Series of Bonds upon original issuance; provided however, that prior to the creation of any such fund or account, the Authority shall deliver a written opinion of Bond Counsel to the Authority stating that, in the opinion of such firm, the creation of such fund or account will not adversely affect the rights of existing Bondholders.

Section 502. Pledge Securing Bonds. (a) The Bonds of each Series are hereby separately and individually secured by (i) the Revenues available for such Series of Bonds (except such moneys that are required to be rebated to the United States government pursuant to the provisions of the Code in order to insure that interest on any Bonds which are issued as Tax-Exempt Obligations continues to be excludable from gross income under the Code), and (ii) all moneys, securities and funds which are held or set aside or which are to be held or set aside with respect to any Series of Bonds pursuant to the terms of the Resolution or Supplemental Resolution or which are held in any funds or accounts which are established and created under Sections 401 and 501 hereof or by the terms of any Supplemental Resolution, for each Series of Bonds and into which shall be deposited Revenues (other than amounts which are on deposit in the Rebate Fund).

(b) In the event that any Credit Facility or Liquidity Facility is provided with respect to any Series of Bonds, any moneys which are made available under the terms of such Credit Facility or Liquidity Facility are pledged solely to secure the payment of the principal of and interest on the Bonds and shall not be available for any other purpose under the Resolution. Upon receipt of any such moneys by the Trustee, such moneys shall be deposited in the Bond

Service Fund and applied in accordance with the provisions of Section 505 hereof.

(c) This pledge shall be valid and binding from and after the date of the first delivery by the Trustee of the first Bond which is authenticated and delivered under the terms of the Resolution. The Revenues and other moneys, securities and funds which are so pledged for each Series of Bonds and which are thereafter received by the Authority, and any other moneys hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act. The lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations issued by the Authority and all other liabilities of the Authority. The lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof.

Section 503. Deposit of Revenues and Other Payments. (1) From and after the authentication and delivery of the first Bond to be so authenticated and delivered under the terms of the Resolution, all Revenues shall upon receipt be deposited by the Trustee into the Revenue Fund. The Trustee shall be accountable only for moneys which are actually so deposited.

(2) Any moneys which are held in the Revenue Fund shall be invested, at the oral direction of an Authorized County Representative (promptly confirmed in writing), by the Trustee in Investment Obligations; provided however, that the maturity of every such Investment Obligation shall not be later than the first Business Day next preceding the Withdrawal Date.

(3) Any payments which are received by the Authority or County pursuant to any insurance relating to the Facilities, or any portion thereof, or pursuant to a condemnation award which are not applied to the repair or replacement of the Facilities, or any portion thereof, or to the substitution of the Facilities as provided in Section 401 hereof, shall be paid by the Authority or County to the Trustee. Thereafter such payments shall be deposited by the Trustee in the Bond Service Fund and applied in accordance with the terms of Section 505 hereof.

Section 504. Periodic Withdrawals From Revenue Fund. From time to time as moneys are received in the Revenue Fund, the Trustee shall make payments from moneys on deposit in the Revenue Fund into the following several funds or accounts, but as to each such fund or account only within the limitation herein below indicated with respect thereto and only after maximum payment within such limitation into every such fund previously mentioned in the following tabulation:

First: Into the Bond Service Fund, to the extent, if any, needed to increase the amount which is on deposit in the Bond Service Fund relating to each Series of Bonds, until the amount on deposit equals the Bond Service Requirement with respect to such Series of Bonds;

Second: Into the Sinking Fund, to the extent, if any, needed to increase the amount which is on deposit in the Sinking Fund until the amount on deposit equals the Sinking Fund Requirement with respect to such Series of Bonds;

Third: Into the Bond Reserve Fund, to the extent, if any, needed to increase the amount which is on deposit in the Bond Reserve Fund until the amount on deposit equals the Bond Reserve Requirement; and

Fourth: Into the General Fund, to the extent any funds are available.

Section 505. Application, Investment and Restoration of Bond Service Fund. (1) Unless otherwise provided in a Supplemental Resolution or Certificate of Authority Officer authorizing the issuance of such Bonds, immediately prior to each interest payment date of the Bonds, the Trustee shall withdraw from the Bond Service Fund an amount which is equal to the interest which is due and payable on the Bonds on such interest payment date, and shall cause the same to be deposited with the Paying Agent who shall apply the same to the payment of said interest when due.

(2) Unless otherwise provided in a Supplemental Resolution authorizing the issuance of such Bonds, if the withdrawals which are required to be made under the provisions of paragraph (1) of this Section with respect to the same and every prior date shall have been made, the Trustee shall withdraw from the Bond Service Fund, prior to each principal maturity date of the Bonds, an amount which is equal to the principal amount of Bonds, if any, maturing on said day, and shall cause the same to be deposited with the Paying Agent who shall apply such amounts to the payment of the principal of said Bonds when due.

(3) If the withdrawals which are required to be made under the provisions of paragraph (1) and paragraph (2) of this Section with respect to the same and every prior date shall have been made, the Trustee shall withdraw from time to time from the Bond Service Fund and pay into any account which is maintained in the Sinking Fund the amount which is sufficient to reimburse said account for any amounts which have been theretofore paid from said account for or on account of accrued interest on Bonds which have been purchased in accordance with the provisions of Section 506 hereof.

(4) If at any time there shall not be a sufficient amount on deposit in the Bond Service Fund to provide for any withdrawal therefrom which is required to be made under the provisions of paragraphs (1), (2) or (3) of this Section in order to pay any Series of Bonds, the Trustee shall, on or prior to the date on which payment from the Bond Service Fund is required to be made, withdraw an amount which is sufficient to make up such deficiency from the Bond Reserve Fund and shall deposit same into the Bond Service Fund.

(5) Any moneys which are on deposit in the Bond Service Fund shall be invested, at the oral direction of an Authorized County Representative (promptly confirmed in writing), by the Trustee in Investment Obligations; provided however, that the maturity of every such Investment Obligation shall not be later than the time when such funds are needed to be applied to pay the interest on or the principal of any Bonds. Any investment income which is derived from the investment of moneys which are on deposit in the Bond Service Fund shall remain in the Bond Service Fund; provided however, that, prior to completion of the Facilities, or any additional Facilities for which such interest was capitalized, upon written request of an Authorized County Representative and approval of an Authorized Authority Representative,

investment income which is derived from the investment of moneys which represent capitalized interest on Bonds and which were deposited in the Bond Service Fund from the proceeds derived from the sale of any Bonds shall be deposited in the Construction Fund.

(6) No amount shall be withdrawn from or paid out of the Bond Service Fund except as expressly provided in this Section, Section 1005 hereof or to pay or provide for the payment of the Purchase Option Price pursuant to the provisions of Lease 3.

Section 506. Application, Investment and Restoration of Sinking Fund. (1) The Trustee shall establish and shall maintain in the Sinking Fund a separate account for each Series of Term Bonds for which Sinking Fund Installments are established in accordance with the terms of the Resolution. Moneys which are paid into the accounts in the Sinking Fund in any Fiscal Year relating to any Series of Bonds pursuant to the terms of Section 504 hereof shall, upon receipt, be segregated and shall be set aside in such accounts in proportion to the respective amounts of the Sinking Fund Installments which are payable during such Fiscal Year with respect to the particular Term Bonds for such Series of Bonds for which each such account is maintained. Moneys which are paid into any accounts within the Sinking Fund with respect to each Series of Bonds pursuant to the terms of Section 505 hereof shall, upon receipt, be set aside in the account which is maintained therein with respect to which such payment is a reimbursement. Moneys which are paid into any account within the Sinking Fund established for each Series of Bonds pursuant to the terms of subparagraph (2) of this Section on account of any particular Sinking Fund Installment shall be set aside in the account which is maintained therein for the particular Term Bonds which are entitled to said Sinking Fund Installment. All other moneys which are paid into the Sinking Fund shall, upon receipt, be segregated and set aside by the Trustee in such accounts in proportion to the respective principal amount of Term Bonds for which each such account is maintained for each Series of Bonds.

(2) If on the date established for the payment of any Sinking Fund Installment for the Bonds, the full amount of all Sinking Fund Installments which are payable on such date shall not have been paid into the Sinking Fund pursuant to the terms of Section 504 hereof, the Trustee shall withdraw from the Bond Reserve Fund and shall pay into the Sinking Fund on account of such Sinking Fund Installments, the amount which was not previously paid into the Sinking Fund.

(3) The Trustee shall apply the moneys in any account which has been established in the Sinking Fund, as provided in subparagraph (1) of this Section, to the purchase or the redemption of the Bonds for which such account is maintained, in the manner provided in this Section, or to the payment of the principal thereof at maturity, as the case may be. If on any date there shall be moneys in any such account and none of the Term Bonds for which such account was established shall be Outstanding, said account shall be closed and the moneys which are on deposit therein shall (upon the written direction of the Authority) be withdrawn therefrom by the Trustee and (a) shall be segregated and set aside in the other accounts in the Sinking Fund as if and with the same effect as if paid into the Sinking Fund by the Authority on said date pursuant to the terms of Section 504 hereof, or (b) if no other accounts shall be maintained in the Sinking Fund, such amount shall be paid into the Revenue Fund.

(4) The purchase price which shall be paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Bond which shall be purchased pursuant to the terms of this Section shall not exceed the Redemption Price of such Bond which is applicable upon its redemption through the application of the moneys which are available for such purpose on the next date on which such Bond could be redeemed in accordance with its terms by operation of the Sinking Fund. Subject to the limitations hereinbefore set forth or referred to in this Section, at the written direction of the Authority, the Trustee shall purchase Bonds at such times, for such prices, in such amounts and in such manner (whether after advertisement for tenders or otherwise) as the Trustee in its sole discretion may determine and as may be possible with the amount of moneys which are available therefor in the Sinking Fund. The principal amount of the Bonds so purchased may be applied by the Trustee (at the written direction of the Authority) toward satisfaction of the Sinking Fund Installment which is due in the current or any future Fiscal Year.

(5) As soon as practicable after the sixtieth day and before the thirtieth day prior to the date of each Sinking Fund Installment, the Trustee shall select for redemption on such Sinking Fund Installment due date such amount of Term Bonds of the Series for which the Sinking Fund Installment was established as will exhaust all moneys which are required to have been deposited in the Sinking Fund as of such Sinking Fund Installment due date. Accrued interest on the Bonds which are to be redeemed shall be paid from the Bond Service Fund and all expenses which are incurred by the Trustee in connection with such redemption shall be paid from the Revenue Fund or the General Fund. Unless otherwise provided in a Supplemental Resolution authorizing the issuance of such Bonds, all Bonds which are redeemed under the provisions of this Section shall be redeemed in the manner provided in Article VII of this Resolution, and prior to the date fixed for redemption the Trustee shall withdraw from the Sinking Fund the amount of the Redemption Price of such Bonds, and such amount shall be transferred to the Paying Agent by the Trustee and such amount shall be applied by the Paying Agent to the redemption of such Bonds on the date fixed for redemption.

(6) Investment income which is derived from the investment of any funds which are held in any account or subaccount within the Sinking Fund shall be deposited by the Trustee, upon receipt, in the Revenue Fund.

(7) Any moneys which are on deposit in the Sinking Fund shall be invested at the oral direction of an Authorized County Representative (promptly confirmed in writing), in Investment Obligations; provided however, that the maturity of every such Investment Obligation, other than moneys which are invested pursuant to paragraph (7) above, shall not be later than the time when such funds are needed for the purposes of the Sinking Fund.

(8) No amount, if any, shall be withdrawn from or paid out of the Sinking Fund except as expressly provided in this Section or Section 1005 hereof.

Section 507. Application and Investment of Bond Reserve Fund. (1) If on any Interest Payment Date, (a) the amount which is on deposit in the Bond Service Fund equals or exceeds any unpaid interest which is then due and payable on Outstanding Bonds, plus the interest, if any, to become due on Outstanding Bonds on or before the next succeeding Interest

Payment Date, plus the principal amount of any Outstanding Bonds which have matured and which remain unpaid, plus the principal amount of Outstanding Bonds, if any, maturing at or before the next succeeding principal maturity date of the Bonds, and (b) all withdrawals or payments from the Bond Reserve Fund which are required to be made by any other provision of the Resolution shall have been made, the Trustee shall withdraw from the Bond Reserve Fund the amount of any excess therein over the Bond Reserve Requirement, as determined on such date, and shall pay the moneys so withdrawn into the General Fund.

(2) Any moneys which are on deposit in the Bond Reserve Fund shall be invested by the Trustee at the oral direction of an Authorized County Representative (promptly confirmed in writing), in Investment Obligations; provided however, that the maturity of the Investment Obligations which are on deposit in the Bond Reserve Fund shall be limited to the lesser of five years or the period remaining to the last maturity date of the Bonds for which such Bond Reserve Fund was established. All income which is derived from the investment of moneys which are on deposit in the Bond Reserve Fund shall be deposited in the Revenue Fund to the extent the Bond Reserve Requirement has been satisfied and unless otherwise permitted to be transferred to another fund or account pursuant to the terms of the Resolution; provided however, that, (a) prior to completion of the Facilities, at the written direction of an Authorized County Representative, such investment income may be deposited in the Construction Fund, or, (b) subsequent to the completion of the Facilities, (such completion being evidenced by the disbursement of all funds held in the Construction Fund, or any account therein, for or with respect to the Facilities), and such investment income shall be retained in the Bond Reserve Fund (to the extent necessary so that the amount which is on deposit in the Bond Reserve Fund equals the Bond Reserve Requirement), in each case, at the written direction of an Authorized County Representative;

(3) No amount shall be withdrawn from or paid out of the Bond Reserve Fund except as expressly provided in this Section or in Section 505, Section 506, Section 509 or Section 1005 hereof.

Section 508. Application and Investment of General Fund. (1) If on any date the amount which is on deposit in the Bond Reserve Fund shall be less than the Bond Reserve Requirement, as calculated on such date, the Trustee shall withdraw from the General Fund and shall pay into the Bond Reserve Fund the amount which is needed to increase the amount which is on deposit in the Bond Reserve Fund so that it equals the Bond Reserve Requirement.

(2) Notwithstanding any other provision of the Resolution, whenever at any date in any Fiscal Year, (a) the amount which is on deposit in the Bond Service Fund equals or exceeds the Bond Service Requirement, (b) the amount which is on deposit in the Sinking Fund, if any, equals or exceeds the Sinking Fund Requirement, (c) the amount which is on deposit in the Bond Reserve Fund equals or exceeds the Bond Reserve Requirement, (d) the Authority is not in default in the payment of the principal of, redemption premium, if any, or interest on any of the Bonds, (e) the Authority is not in default in the payment of any costs which are due and payable to the issuer of any Credit Facility or Liquidity Facility pursuant to the terms of any agreement between the Authority and such issuer, and (f) all amounts required to be rebated to the United States government have been paid, and all administrative costs of the Authority, including the fees and expenses of any Fiduciary, have been paid, the Trustee shall, upon receipt of the written

direction of the County, withdraw from and pay out of the General Fund to the County, free and clear of any lien or pledge created by the terms of the Resolution, any amount which is then on deposit in the General Fund. All amounts which are so withdrawn by the Trustee from the General Fund shall forthwith upon withdrawal be paid to the County and such amounts may be used by the County for any lawful purpose. Unless otherwise specifically provided by the County, all amounts which are so paid to the County shall, upon withdrawal, be forever free and clear of any lien or pledge created by the terms of the Resolution.

(3) Notwithstanding anything contained in paragraph (2) above to the contrary, no withdrawals shall be made from the General Fund free and clear of any lien or pledge of the Resolution until and unless an amount equal to all interest which is payable on the interest payment dates during the current Bond Year and all Principal Installments and Sinking Fund Installments payable during the current Bond Year are on deposit in the Bond Service Fund; provided, however, that withdrawals may be made from the General Fund to increase the amount on deposit in the Bond Service Fund or the Sinking Fund to an amount equal to the Bond Service Requirement.

(4) Any moneys which are on deposit in the General Fund shall be invested by the Trustee, at the oral direction of an Authorized County Representative (promptly confirmed in writing), in Investment Obligations; provided however, that the maturity of every such Investment Obligation shall not be later than fifteen years from the date of such investment. All income which is derived from the investment of moneys which are on deposit in the General Fund shall be deposited in the Revenue Fund; provided however, upon the written direction of the County, prior to completion of the Facilities, such investment income may be deposited in the Construction Fund.

(5) No amount shall be withdrawn from or paid out of the General Fund except as expressly provided in this Section or as provided in Section 610 and Section 1005 hereof.

Section 509. Application and Investment of Rebate Fund. (a) The Authority shall determine the amounts (as well as the dates of payment) which are subject to rebate to the United States government pursuant to the provisions of the Code (in order to ensure that interest on any Bonds which are issued as Tax-Exempt Obligations continues to be excludable from Federal income taxation), (b) the amounts which are required to be rebated to the United States government shall be withdrawn from the accounts which are held under this Resolution (other than from any funds which are held for the payment of the purchase price for Variable Rate Bonds upon the tender of such Variable Rate Bonds by the Holders thereof), at the written direction of the Authority, and be deposited in the Rebate Fund. Such amounts shall be held in the Rebate Fund pending withdrawal of such amounts for payment to the United States government.

(b) Moneys which are on deposit in the Rebate Fund shall be invested by the Trustee, at the oral direction of an Authorized County Representative (promptly confirmed in writing), in Investment Obligations; provided however, that such investments shall mature in such amounts and at such times as will permit funds to be available when needed to make payments to the United States Government in accordance with the terms of this Section 509. All

income from such Investment Obligations shall be held within the Rebate Fund.

(c) If there is not a sufficient amount in the Rebate Fund for any required payment to the United States government, the Authority shall promptly pay, or cause the County to pay to the Trustee, from other sources or from moneys which are on deposit in the General Fund and which are available for such purpose, the amount which is necessary to make up such deficiency.

At the written direction of the Authority delivered to the Trustee, the rebate amount shall be paid to the United States of America in installments which shall be made at least once every five (5) years from the date of issuance of the Series of Bonds to which such payment relates. The first such installment shall be payable to the United States of America on behalf of the Authority not later than thirty (30) days subsequent to the end of the fifth (5th) year following the date of issuance of the Series of Bonds to which such payment relates and shall be in an amount which ensures that at least ninety percent (90%) of the amount described above with respect to such Series of Bonds is paid. Each subsequent payment shall be made not later than five (5) years after the date the preceding payment was due. Within sixty (60) days after the payment of the Bonds, the Authority shall direct the Trustee, in writing, to pay to the United States on behalf of the Authority one hundred percent (100%) of the aggregate amount due with respect to such Series of Bonds which has not been theretofore paid.

At the (i) maturity of the Bonds, (ii) if the Bonds are redeemed prior to maturity, the date on which the Bonds are redeemed, (iii) each year, on the anniversary date of the issuance of the Series of Bonds to which such payment relates, and (iv) any other date that may be required by the Code (each a "Computation Date"), the Authority shall determine the amount of the rebate which shall be payable to the United States on behalf of the Authority and shall promptly deliver written notice of such amount and the detailed basis of calculation therefore to the Trustee. On each Computation Date, if such rebate amount exceeds the amount which is then on deposit in the Rebate Fund, such Rebate amount shall be transferred by the Trustee at the written direction of the Authority to the Rebate Fund until such amount is paid as a rebate to the United States of America. If there is not a sufficient amount in the Rebate Fund for any required payment the United States government, the Authority shall promptly pay to the Trustee, from other sources or from moneys which are on deposit in the General Fund and which are available for such purpose, the amount which is necessary to make up such deficiency.

Section 510. Funds Held for Payment of Bonds. The amounts which are held by the Trustee or which are applied by the Paying Agent for the payment of the principal of, redemption premium, if any, interest or Sinking Fund Installment which is due on any date with respect to particular Bonds appertaining thereto, if any, shall, pending such payment, be set aside and held in trust for the Holders of the Bonds who are entitled to such payment, and for the purposes of the Resolution, such principal, redemption premium, if any, and interest after the date fixed for the payment thereof, shall no longer be considered to be unpaid.

Section 511. Cancellation of Bonds. All Bonds which are purchased, redeemed or paid shall, if surrendered to the Authority or to any Paying Agent, be cancelled by it and delivered to the Registrar, or if such Bonds shall be surrendered to the Registrar, shall be cancelled by it. Such Bonds shall not be deemed to be Outstanding under the terms of the

Resolution and no Bonds shall be issued in lieu thereof. All such Bonds shall be cancelled by the Registrar and the Registrar shall be authorized to destroy such cancelled Bonds upon receipt of an order of the Authority and a certificate thereof shall be delivered by the Registrar to the Authority.

Section 512. Assignment of Lease 3. All rights of the Authority to receive Basic Rent payments from the County under the provisions of Lease 3 are hereby pledged for the benefit and security of the holders of the Bonds in order to secure the punctual performance by the Authority of all of its obligations under the terms and provisions of the Resolution with respect to such Bonds and, for said purpose, such rights are hereby assigned by the Authority to the Trustee. All Basic Rent payments which are to be received by the Authority pursuant to the terms of Lease 3 are to be paid directly to the Trustee for deposit into the Revenue Fund. Lease 3 shall contain a provision providing for such assignment by the Authority and for the consent of the County to such assignment.

Section 513. Termination of Lease 3. Upon the payment in full of all amounts due under Lease 3, the Authority shall cancel the obligation of the County evidenced by such Lease 3 and terminate and release all security interests and liens created under such Lease 3 and the Authority or the Trustee shall take any other action required of the Authority or the Trustee in Lease 3, in connection with such cancellation, termination and release, including (without limitation) the execution of all relevant documents in connection with such actions.

ARTICLE VI

Particular Covenants of Authority

Section 601. General. The Authority hereby particularly covenants and agrees with the Trustee, the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility and with the holders of the Bonds and makes provisions which shall be a part of its contract with such holders to the effect and with the purpose set forth in the following provisions and Sections of this Article and agrees to such other covenants as shall be provided by a duly adopted Supplemental Resolution or by a duly executed Certificate of Authority Officer.

Section 602. Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid the principal of, redemption premium, if any, and the interest on every Bond, on the dates, at the place and in the manner provided for in the Bonds according to the true intent and meaning thereof. The Authority shall pay to the Trustee any part of any Sinking Fund Installments which are payable on or before said due date which has not been previously paid into the Sinking Fund pursuant to any other provisions of the Resolution.

Section 603. Operation and Maintenance of Facilities. The Authority shall, at all times, cause the County to operate the Facilities properly and in a sound and economical manner, shall maintain, preserve and keep the same properly or cause the same to be so maintained, preserved and kept, including all appurtenances thereto and every part and parcel thereof, in good repair, working order and condition. Further, the Authority shall make or cause to be made from time to time, all necessary and proper repairs, replacements and renewals so that the operation of the Facilities may be properly and advantageously conducted at all times.

Section 604. Observance of Rules and Regulations. The Authority shall cause the County to establish and enforce reasonable rules and regulations governing the operation, use and services of the Facilities. The Authority shall cause the County to observe and perform all of the terms and conditions which are contained in all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body to the extent that same are applicable to the Facilities or to the Authority.

Section 605. Payment of Lawful Charges. The Authority shall cause the County to pay all taxes and assessments or other municipal or governmental charges, if any, which are lawfully levied or assessed upon it or with respect to the Facilities, or upon any part thereof or upon any revenue derived therefrom, when the same shall become due and payable, and the Authority shall cause the County to duly observe and comply with all valid requirements of any municipal or governmental authority relating to any part of the Facilities, and the Authority shall not (and shall not allow the County) to create or suffer to be created any lien or charge upon the Facilities or upon any part thereof and the Authority shall not create or suffer to be created any lien or charge upon the Revenues which are derived therefrom, except as expressly provided by the terms of the Resolution.

Section 606. Offices for Servicing Bonds. The Authority shall, at all times,

maintain an office or agency in the State of New Jersey or in the Borough of Manhattan, in the County and State of New York where Bonds may be presented for registration, transfer or exchange, and where Bonds may be presented for payment or redemption. The Authority hereby irrevocably appoints the Registrar as its agent to maintain such office for the registration, transfer or exchange of Bonds. The Authority shall appoint one or more Paying Agents as its agent to maintain such office for the payment or redemption of Bonds.

Section 607. Powers as to Facilities and as to Collection of Revenues. The Authority has, and will have as long as any Bonds remain Outstanding, good right and lawful authority to acquire and construct the Facilities, to cause the County to maintain, operate and improve the Facilities, and to collect the payments due under Lease 3.

Section 608. Completion of Facilities. The Authority shall, with all practicable dispatch and in a sound and economical manner, complete the acquisition and construction of the Facilities, and shall do all other acts and things which are necessary and reasonably possible to entitle it to receive at the earliest practicable time and to enforce the payment of fees, rents and charges which are payable with respect to the Facilities by the County under the terms of Lease 3.

Section 609. Amount of Revenues. With respect to the use of the Facilities by the County, the Authority shall make, impose, charge and collect Revenues in an amount so that the Revenues which are collected and paid to the Trustee pursuant to the terms of Article V hereof for each Fiscal Year, will be at least sufficient (1) to provide an amount which is equal to the Bond Service Requirement (except any part thereof, the payment of which has been provided for by the deposit of proceeds derived from the sale of Bonds in the Bond Service Fund) and Sinking Fund Requirement, (2) to provide in each Fiscal Year the amount, if any, which is needed so that the amount which is on deposit in the Bond Reserve Fund will equal the Bond Reserve Requirement, (3) to provide for the payment of all other charges or liens whatsoever which are payable by the Authority out of such Revenues during such Fiscal Year, and (4) to provide in such Fiscal Year for payment of any additional amounts which are necessary to comply with the provisions of the Resolution and all other statutory and legal obligations of the Authority.

Section 610. Compliance With Lease 3 and Enforcement of Revenues. The Authority shall so plan, schedule and prosecute all construction on or about the Facilities as to entitle it to make, impose and collect Revenues, pursuant to the terms of the Act and to collect payments from the County in accordance with the terms of the Act and the terms of Lease 3. The Authority shall not release or modify the obligations of the County under the terms of Lease 3 which would in any manner adversely affect the obligations of the County to make payments thereunder. Any modification of Lease 3 shall be delivered to the Trustee and shall be accompanied by a Counsel's Opinion which states that such modification is in compliance with the provisions of this Section. The Authority shall take all reasonable measures which are permitted by the Act, Lease 3, or otherwise by law, to enforce prompt payment to it of all Revenues, and shall at all times, to the extent permitted by the Act or otherwise by law, defend, enforce, preserve and protect the rights, benefits and privileges of the Authority and of the Bondholders under or with respect to Lease 3.

Section 611. Insurance; Condemnation. (a) The Authority shall cause the County to continuously maintain, with responsible insurers, all such insurance as is required under the terms of Lease 3. Such insurance shall protect the Authority, the County and/or the Trustee against loss or damage and against public and other liability to the extent reasonably necessary to protect the interests of the bondholders. If any useful part of the Facilities shall be damaged or destroyed, the Authority shall cause the County to, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged Facilities in order to restore the same to use. The proceeds of any such insurance shall be applied to the necessary Costs involved in such repair and replacement. In the event that the Cost of such repair and replacement of the damaged Facilities exceeds the proceeds of such insurance which are available for payment of the same, any moneys which are on deposit in the General Fund and any other moneys of the Authority which are not pledged for another purpose shall be used to the extent necessary for such purposes.

(b) Any proceeds received by the Authority from any such insurance (except for proceeds of use and occupancy insurance and business interruption insurance), or proceeds received as a result of any condemnation of all or any portion of the Facilities, shall either be deposited in the Construction Fund and shall be deposited by the Authority in the Bond Service Fund and applied to the payment of the principal, redemption premium, if any, of and interest on the Bonds. The proceeds of any use or occupancy insurance or any business interruption insurance which is paid to the Trustee shall be deposited in the Revenue Fund.

Section 612. Sale or Encumbrance. Except to the extent otherwise permitted by the Act, no part of the Facilities shall be sold, mortgaged, pledged, encumbered or otherwise disposed of; provided however, that the Authority may, at any time and from time to time, sell or exchange a portion of the Facilities which the County determines by Resolution is not useful or necessary in the construction, reconstruction or operation thereof. Any proceeds which are derived from any such sale or exchange which are not used to replace the Facilities so sold or exchanged shall be paid to the Trustee and shall be deposited in the General Fund.

Section 613. Creation of Liens; Subordinated Indebtedness. Except as provided in Section 317 (relating to the issuance of Additional Bonds), and this Section 613, the Authority shall not issue any bonds, notes, or other evidences of indebtedness, other than the Bonds, which are secured by a pledge of or other lien or charge on the Revenues and shall not create or cause to be created any lien or charge on such Revenues or on any amounts which are held by the Trustee or by any Paying Agent under the terms of the Resolution; provided however, that neither this Section nor any other provision of the Resolution shall prevent the Authority from issuing bonds or notes or other obligations for the purposes of the Authority which are payable out of, or which are secured by a pledge of Revenues which are to be derived on and after such date as the pledge of such Revenues which is provided in the Resolution shall be discharged and satisfied as provided in Section 1201 hereof. In addition, the Authority shall not be prevented from issuing bonds or notes or other obligations for the purposes of the Authority which are payable out of or which are secured by a subordinate pledge of the Revenues, or by a pledge of amounts which may be withdrawn from the General Fund pursuant to the terms of paragraph (2) of Section 508 hereof, and (a) that are issued for a purpose, the completion of which, in the opinion of an Authorized Authority Representative (as evidenced by a certificate filed with the

Trustee) will not cause a reduction in Revenues to be thereafter derived by or for the account of the Authority, and (b) which shall recite on their face that such pledge of said amounts is and shall be in all respects subordinate to the provisions of the Resolution and the lien and pledge created by the Resolution.

Section 614. Arbitrage and Tax Provisions. (1) The Authority hereby particularly covenants and agrees with the Holders of the Bonds which are issued as Tax-Exempt Obligations that (a) no part of the proceeds which are derived from the sale of any Series of the Bonds shall be used directly or indirectly to acquire any "investment Facilities," as such term is defined in the Code, or any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond," as such term is defined in Section 148 of the Code (an "Arbitrage Bond"), and (b) it will not take any actions which, if taken, would cause any of the Bonds to be an Arbitrage Bond.

(2) The Authority will not take any actions which, if taken, will cause the interest on Bonds which are issued as Tax-Exempt Obligations to be includable as gross income under the provisions of the Code.

Section 615. Annual Budget. The Authority shall prepare, file and adopt an Annual Budget for each Fiscal Year in accordance with the provisions of the Local Authorities Law. A copy of such Annual Budget shall be filed with the Trustee on or prior to the last day of each preceding Fiscal Year and shall be mailed by the Authority to the issuer of any Credit Facility or Liquidity Facility and any Bondholder upon request.

Section 616. Accounts and Audit. The Authority shall keep 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 relating to the Facilities or any part thereof, and which, together with all other books and papers of the Authority, shall at all reasonable times be subject to inspection by the Trustee or the County or by the holder or holders of not less than five per centum (5%) in aggregate principal amount of the Bonds which are then Outstanding or their representatives which are duly authorized in writing. The Authority shall cause its books and accounts to be audited annually as of the end of each Fiscal Year. Such audit shall be made by an Accountant selected by the Authority.

Section 617. Further Assurances. The Authority shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming all and singular rights, revenues and other funds which are hereby pledged or assigned, or which are intended to be so pledged or assigned, or which the Authority may hereafter become bound to pledge or assign, or as may be reasonable and as may be required to carry out the purposes of the Resolution and to comply with the terms of the Act. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect (a) the pledge of the Revenues and the other funds which are pledged hereunder, and (b) the rights of the Bondholders provided hereunder against all claims and demands of all persons whomsoever.

Section 618. Ownership of Facilities. The Authority shall not enter into any contract which provides for payment to be made for labor or to contractors, builders or materialmen on account of the construction or reconstruction of any part of the Facilities, unless such part is located on lands to which the title, the leasehold title, or over which perpetual easement, in any case sufficient for the purposes of the County and/or the Authority, is owned or can be acquired by the County and/or the Authority, or unless such part is lawfully located in a public street or highway or is a part of the Facilities which is located on land in which a right or interest less than a fee simple or a perpetual easement has been acquired from the United States of America, the State of New Jersey or from a political subdivision thereof or from a public utility and such lesser right or interest has been approved by a Counsel's Opinion as being sufficient for the purposes of the Authority.

Section 619. Conditions Precedent. On the date of issuance of any Series of Bonds, all conditions, acts and things which are required by the Constitution or by the statutes of the State of New Jersey or by this Resolution to exist, to have happened and to have been performed precedent to or in the issuance of any Series of Bonds shall exist, shall have happened and shall have been performed, and such Series of Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by said Constitution or statutes.

ARTICLE VII

Redemption of Bonds

Section 701. Privilege of Redemption and Redemption Prices. The Bonds of any Series or all or any portion of any Series of Bonds which are subject to redemption prior to maturity at the option of the Authority or upon written direction of the County, shall be subject to redemption by or on behalf of the Authority upon the giving of notice as provided in this Article, to such extent, through application of such moneys, at such time or times, in such order, and on such other terms and conditions as shall be provided by the terms of a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Series of Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be, and as shall be provided in said Bonds. Such Bonds or portion of any Series of Bonds shall be redeemed in whole or in part on any date at the Redemption Prices set forth in said Bonds and which are applicable upon such redemption (and if no provision as to such order of redemption is made as provided above, then in such order as the Authority shall direct). If less than all of the Bonds of such Series of like maturity which are then Outstanding are to be redeemed, the particular Bonds to be redeemed shall be selected by lot in the manner set forth below.

Section 702. Selection of Bonds to be Redeemed by Lot. In the event of redemption by lot of Bonds of like Series within a maturity, the Trustee shall assign to each Bond of such Series and maturity which is then Outstanding a distinctive number for each $5,000 of the principal amount of such Bond and shall select by lot, using such method of selection as it shall deem proper in its discretion and from the numbers of all Bonds of such Series to be redeemed, as many numbers as, at $5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be those Bonds whose numbers were so selected; provided however, that only so much of the principal amount of each such Bond (of a denomination of more than $5,000) shall be redeemed as shall equal $5,000 for each number assigned to it and so selected. For the purposes of this Section, Bonds, or portions thereof, which have theretofore been selected for redemption by lot shall not thereafter be deemed to be Outstanding.

Section 703. Notice of Redemption. When the Trustee shall be required or shall be authorized, or shall receive written notice from the Authority of its election to redeem Bonds, the Trustee shall, in accordance with the terms and provisions of the Bonds and the provisions of the Resolution, select the Bonds to be redeemed and the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds. Such notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption price, the redemption date and the place or places where amounts which are due and payable upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds to be redeemed, and, in the case of a Bond to be redeemed in part only, such notice shall also specify the portion of the principal amount thereof to be redeemed. Such notice shall further state that on such date the Redemption Price thereof shall become due and payable with respect to each Bond to be redeemed, or the Redemption Price of the specified portion of the principal amount thereof (in the case of a Bond to be redeemed in part only), together with interest accrued thereon to the redemption date, and such

notice shall also state that from and after such date interest on such Bond, or portion thereof, shall cease to accrue and be payable. Such notice shall be given by mailing a copy of such notice, postage prepaid, not less than twenty-five (25) days prior to such redemption date, to the Registered Owner of any Bond all or a portion of which is to be redeemed, at his last address, if any, appearing upon the registration books of the Authority which are kept and maintained on behalf of the Authority by the Registrar. However, such mailing shall not be a condition precedent to such redemption and the failure of the Trustee to mail such notice or the failure of such notice to be received by the Holder of such Bond or portions of such Bonds shall not affect the validity of any proceedings for such redemption.

Section 704. Authority's Election to Redeem. The Authority shall give written notice to the Trustee of its election to redeem Bonds and of the redemption date, which notice shall be given at least forty-five (45) days prior to the redemption date or at such later date as shall be acceptable to the Trustee, but in no event later than thirty-five (35) days prior to the redemption date. In the event that the required notice of redemption shall have been given, the Authority shall, and hereby covenants that it will pay to the Trustee an amount which, in addition to any other moneys available therefor and held by the Trustee, will be sufficient to redeem all of the Bonds or portions of the Bonds which have been selected for redemption.

Section 705. Payment of Redeemed Bonds. If notice has been given (in the manner provided in Section 703 hereof), the Bonds, or portions thereof, which have been called for redemption and which have been specified in said notice shall become due and payable on the redemption date specified in said notice at the Redemption Price thereof which are applicable on such date, and, upon presentation and surrender thereof at the place or places specified in said notice together with, in the case of Bonds registered otherwise than to bearer, a written instrument of transfer which is duly executed by the Registered Owner thereof or by his attorney duly authorized in writing, said Bonds or portions thereof shall be paid at the said Redemption Prices. If less than all of a Bond has been selected for redemption, the Authority shall execute and the Registrar shall authenticate a new Bond in an amount which is equal to the unredeemed balance of the principal amount of the Bond so surrendered, upon the presentation and surrender of such Bond (except as to Book-Entry Bonds), to be delivered without charge to the owner thereof. At the option of the owner thereof, to the extent permitted by law, the Authority shall cause the Registrar to issue and to deliver Registered Bonds of like Series, designation, interest rates and maturities in any authorized denomination. If, on such redemption date, moneys for the redemption of all of the Bonds (or portions thereof) which are to be redeemed, together with interest thereon accrued and unpaid to such date, shall be held by or on behalf of the Trustee or the Paying Agent so as to be available therefor on such date and if a notice of redemption thereof shall have been mailed as aforesaid, then from and after such redemption date, interest on the Bonds (or portions thereof) of such Series and maturity which have been called for redemption shall cease to accrue and become payable. All moneys which are held by or on behalf of the Trustee or the Paying Agent for the redemption of particular Bonds or portions thereof shall be held in trust for the account of the Holders of the Bonds or portions thereof to be redeemed.

Section 706. Alternate Redemption Provisions. The Authority may provide for alternate redemption features to be applicable to a particular Series of Bonds by Supplemental Resolution of the Authority, duly adopted prior to the authentication and delivery of such Series

of Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be, provided that such features are not inconsistent with and do not impair the rights of Holders of Bonds of such Series or portion of such Series.

ARTICLE VIII

Supplemental Resolutions

Section 801. Supplemental Resolutions Effective Upon Adoption. Any Supplemental Resolution shall be fully effective in accordance with its terms upon its adoption by the Authority to modify or to amend any of the terms or the provisions of this Resolution if no Bonds are Outstanding.

Section 802. Supplemental Resolutions Effective Upon Filing. For any one or more of the following purposes and at any time or from time to time, a resolution of the Authority supplementing this Resolution may be adopted, which resolution, upon the filing with the Trustee of a copy thereof, certified by the Secretary or Assistant Secretary of the Authority, shall be fully effective in accordance with its terms:

(1) To close the Resolution against, or provide limitations and restrictions (in addition to the limitations and restrictions contained in the Resolution) on the issuance in the future of Bonds, or of project notes, bonds, obligations or other evidences of indebtedness;

(2) To add other covenants or agreements to be observed by the Authority to the covenants or agreements of the Authority which are contained in the Resolution; provided however, that such other covenants and agreements are not contrary to or inconsistent with the terms of the Resolution as theretofore in effect;

(3) To add other limitations or restrictions to be observed by the Authority to the limitations or restrictions which are contained in the Resolution; provided however, that such other limitations or restrictions are not contrary to or inconsistent with the terms of the Resolution as theretofore in effect;

(4) To surrender any right, power or privilege which is reserved to or conferred upon the Authority by the terms of the Resolution;

(5) To confirm, as further assurance, any pledge which is created under, and the subjection to any lien or pledge created or to be created by, the terms of the Resolution, Lease 3 or the Revenues or of any other moneys, securities or funds;

(6) To specify, determine or authorize any and all matters and things relative to the Bonds or the proceeds which are derived or which are to be derived from the sale thereof which are not contrary to or inconsistent with the terms of the Resolution;

(7) To authorize Additional Bonds, or, in connection therewith, to specify, determine or authorize the matters and things which are mentioned or which are referred to in Article III hereof and any other matters and things relative to such Additional Bonds or to the proceeds derived from the sale thereof which are not contrary to or inconsistent with the terms of the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the authentication and delivery of such Bonds;

(8) To specify, determine or modify provisions of the Resolution which are required in order to obtain a credit rating for any Bonds;

(9) To make any other change in the Resolution that in the opinion of Bond Counsel to the Authority does not adversely affect the rights of the Holders of any of the Bonds.

Section 803. Supplemental Resolutions Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a resolution of the Authority amending or supplementing the Resolution may be adopted which resolution upon the (a) filing with the Trustee of a copy thereof, certified by the Secretary or Assistant Secretary of the Authority, and (b) subject to receipt of the documents required under Section 806 hereof, filing with the Authority of a written instrument of the Trustee consenting to such resolution, shall be fully effective in accordance with its terms:

(1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; and

(2) To insert such provisions clarifying matters or questions arising under the terms of the Resolution as are necessary or desirable and which are not contrary to or inconsistent with the terms of the Resolution as theretofore in effect.

Section 804. Supplemental Resolutions Effective with Consent of Bondholders. (A) At any time or from time to time, a resolution of the Authority amending or supplementing the Resolution may be adopted whether applicable to all Bonds or to any particular Series thereof, modifying any of the provisions of the Resolution or releasing the Authority from any of the obligations, covenants, agreements, limitations, conditions or restrictions which are contained therein, but no such resolution shall be effective until after the filing with the Trustee of a copy thereof, certified by the Secretary or Assistant Secretary of the Authority, and unless (1) no Bonds which have been authenticated and delivered by the Trustee upon original issuance, or thereafter by the Registrar, prior to the adoption of such resolution remain Outstanding at the time such resolution becomes effective, or (2) such resolution is consented to by or on behalf of Bondholders in accordance with and subject to the provisions of Article IX hereof; provided however, that if the provisions of such resolution are applicable solely to the Holders of a particular Series of Bonds, the provisions of this Section shall apply only to such Series of Bonds.

(B) The provisions of Paragraph (A) of this Section shall not be applicable to resolutions of the Authority which are adopted and which become effective in accordance with the provisions of Section 801, Section 802 or Section 803 hereof.

Section 805. Restriction on Amendments. The Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article and the provisions of Article IX hereof. The provisions of Paragraph (A) of Section 804 hereof are in all respects subject to the provisions, restrictions, exceptions and limitations which are set forth in Article IX hereof. Nothing contained in this Article or in

Article IX hereof shall affect or limit the right or obligation of the Authority to pass, make, do, execute, acknowledge or deliver any resolution, act, deed, conveyance, assignment, transfer or assurance pursuant to the provision of Section 617 hereof or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which the Authority is required to deliver to said Fiduciary.

Section 806. Adoption and Filing of Supplemental Resolutions. Any resolution of the Authority which is referred to and which is permitted or authorized by the terms of Sections 801, 802 or 803 hereof may be adopted by the Authority without the vote or consent of any of the Bondholders, but such resolution shall become effective only on the conditions, to the extent and at the time provided in said Sections. Every such resolution which shall become effective shall thereupon form a part of the Resolution. A copy of every such resolution shall be filed with the Trustee and the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility and shall be accompanied by a Counsel's Opinion to the effect that such resolution has been duly and lawfully adopted by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the provisions of the Resolution and when effective, will be valid and binding upon the Authority and will be enforceable in accordance with its terms.

Section 807. Authorization to Trustee. The Trustee is hereby authorized to accept the delivery of a certified copy of any resolution of the Authority which is referred to and which is permitted or authorized by the terms of Sections 801, 802 and 803 or 804 hereof and the Trustee is authorized to consent to such resolution, if required, and to make all further agreements and stipulations which may be contained therein. The Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be a Counsel's Opinion) that such resolution is authorized or permitted by the provisions of the Resolution and that such resolution does not contain any provision which is contrary to the terms of the Resolution as theretofore in effect.

Section 808. No Modification of Duties and Obligations of Fiduciary or Issuer of Credit Facility or Liquidity Facility. Notwithstanding the provisions of this Article VIII, no modification or supplement of the Resolution shall change or modify any of the duties or obligations of any Fiduciary or the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility without its prior written consent thereto.

ARTICLE IX

Amendments

Section 901. Mailing; Application of Article. Any provision which is contained in this Article for the mailing of a notice or other reports or records to Bondholders shall be fully complied with if such notice, reports or records are mailed, by first class mail, postage prepaid, only (a) to each Registered Owner of Bonds which are then Outstanding at the most recent address, if any, appearing upon the registration books of the Authority which shall be kept and maintained on behalf of the Authority at the principal corporate trust office of the Registrar, and (b) to the Trustee.

Section 902. Powers of Amendment. (1) The Authority is hereby authorized to make technical amendments to the Resolution without the vote or consent of any of the Bondholders by filing with the Trustee a Certificate of Authority Officer setting forth such change. The amendment shall take effect upon the filing with the Trustee of a copy of the Certificate of Authority Officer.

(2) Any modification or amendment of the provisions of the Resolution or of any resolution amendatory thereof or supplemental thereto and of the rights and obligations of the Authority and of the Holders of the Bonds in any particular, may be made by resolution of the Authority, as hereinafter specified, with the written consent given (as hereinafter provided in Section 903 hereof) of the Holders of at least two-thirds in aggregate principal amount of the Bonds which are then Outstanding, or, if said resolution affects only the Holders of a certain Series of Bonds, the Holders of at least two-thirds in aggregate principal amount of the Bonds of such Series which are Outstanding at the time such consent is given, but no such modification or amendment shall permit a change in the maturity or terms of redemption of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or Redemption Price thereof or in the rate of interest thereon or any security therefor without the consent of the Holder of such Bond; provided however, notwithstanding anything above to the contrary, in the event that any Bonds of a particular Series are secured by a Credit Facility, Liquidity Facility or Bond Reserve Credit Facility, no resolution amendatory thereof or supplemental to the Resolution shall be adopted which modifies or affects the rights, duties or obligations of the issuer of such Credit Facility, Liquidity Facility or Bond Reserve Credit Facility without its prior written consent thereto. Further, no such modification or amendment shall reduce the percentages or otherwise affect the description of Bonds the consent of the Holders of which is required to effect any such modification or amendment. The Trustee may in its sole discretion determine whether or not, in accordance with the foregoing powers of amendment, Bonds of any particular Series or maturity, or any particular Holder, would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and on all Holders of Bonds when such determination is delivered in writing to the Authority by the Trustee. Notwithstanding the foregoing, any provision of the Resolution may be amended without the consent of Bondholders if it is determined by Bond Counsel, in accordance with Section 802(9), that such amendment does not adversely affect the interests of such Bondholders.

Section 903. Consent of Bondholders. The Authority may at any time adopt a resolution making a modification or amendment permitted by the provisions of Section 902 hereof, to take effect when and as provided in this Section. Upon the adoption of such resolution, a copy thereof, certified by the Secretary or Assistant Secretary of the Authority, shall be delivered to and shall be held by the Trustee for the inspection of the Bondholders. A copy of such resolution (or summary thereof or reference thereto) together with a request to Bondholders for their consent thereto, where applicable, in a form which is satisfactory to the Trustee and Bond Counsel, shall be mailed by the Authority to each of the Bondholders and to the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility issued for or with respect to the Bonds (but failure to mail such copy and request shall not affect the validity of the resolution when consented to as provided in this Section). Such resolution shall not be effective unless and until there shall have been filed with the Trustee (1) the written consents of the Holders of the percentages of Outstanding Bonds which is specified in Section 902 hereof, or the resolution of the Authority and consent of the Trustee in the case of an amendment that does not require the consent of the Bondholders, (2) the written consent of the issuer of a Credit Facility, Liquidity Facility or Bond Reserve Credit Facility, if required, and (3) a Counsel's Opinion stating that such resolution has been duly and lawfully adopted by the Authority in accordance with the provisions of the terms of the Resolution, is authorized or permitted by the Resolution, and will be valid and binding upon the Authority and will be enforceable in accordance with its terms upon its becoming effective as provided in this Section. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given. A certificate or certificates executed by the Trustee and filed in its office stating that it has examined such proof and that such proof is sufficient under the provisions of Section 1203 hereof shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and upon the Holders of any Bonds which are issued in exchange therefor (whether or not such subsequent Holder has notice thereof); provided however, that, notwithstanding the provisions of Section 1203 hereof, such consent may be subsequently revoked by the Holder of such Bonds giving such consent or by a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate executed by the Trustee and filed in its office to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the resolution, the Trustee shall make and shall file with the Authority and in its office a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter a notice, stating in substance that the resolution (which may be referred to as a resolution adopted by the Authority on a stated date a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section, may be given to Bondholders by the Authority by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such resolution from becoming effective and binding as provided in this Section). The Authority shall file with the Trustee proof of the mailing of such notice. A record, consisting of the papers which are required or which are

permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such resolution making such modification or amendment shall be deemed to be conclusively binding upon the Authority, the Trustee and the Holders of all Bonds at the expiration of forty (40) days after filing with the Trustee of the proof of mailing of such last-mentioned notice, except in the event that a final decree of a court of competent jurisdiction setting aside such resolution in a legal action or equitable proceeding for such purpose is obtained within such forty (40) day period, of which decree timely notice shall have been given to the Trustee; provided however, that the Trustee and the Authority during the forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled, in their absolute discretion, to take such action, or to refrain from taking such action, with respect to such resolutions, as they may deem expedient.

Section 904. Modification by Unanimous Action. Notwithstanding anything which is contained in the foregoing provisions of this Article or in Article VIII hereof, the terms and provisions of the Resolution or of any resolution amendatory thereof or supplemental thereto and the rights and obligations of the Authority and of the Holders of the Bonds may be modified or amended in any respect upon the adoption by the Authority and upon the filing with the Trustee of a resolution to that effect and the consent of the Holders of all the Bonds which are then Outstanding, such consent to be accompanied by proof of the holding (at the date of such consent) of the Bonds with respect to which such consent is given, which proof shall be in the form permitted by Section 1203 hereof, as and to the extent provided in this Article IX. No notice to Bondholders, either by mailing or by publication shall be required. No such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without its prior written consent thereto.

Section 905. Exclusion of Bonds. Bonds which are owned or which are held by or for the account of the Authority shall not be deemed to be Outstanding and shall be excluded for the purpose of consent or other action or for the purpose of any calculation of Outstanding Bonds which is provided for in this Article. The Authority shall not be entitled to give any consent or take any other action provided for in this Article with respect to such Bonds. At the time of any consent or other action which is taken under the terms of this Article, the Authority shall furnish the Trustee with a Certificate of Authority Officer, upon which the Trustee may rely, describing all of the Bonds to be so excluded.

Section 906. Notation on Bonds. Bonds which have been authenticated and delivered after the effective date of any action which has been taken pursuant to the terms of either Article VIII hereof or this Article may, and if the Authority so determines, shall, bear a notation, by endorsement or otherwise, as to such action, and in such case, upon the demand of the Holder of any Bond which is Outstanding at such effective date and upon presentation of his Bond for such purpose at the principal corporate trust office of the Registrar, suitable notation as to any such action shall be made on such Bond by the Registrar. If the Authority shall so determine, new Bonds which shall bear such notation to conform to such action shall be prepared, authenticated by the Registrar and delivered, and upon demand of the Holder of any Bond which is then Outstanding such Bond shall be exchanged without cost to such Bondholder, for Bonds then Outstanding, upon the surrender of such Bonds.

Section 907. Contracts or Indentures. The Authority, to the extent permitted by law, may, and if requested by the Trustee shall, enter into a contract or an indenture with the Trustee giving effect to any modification or amendment of the Resolution or any resolution which is amendatory thereof or supplemental thereto as provided in Article VIII or as provided in this Article.

Section 908. No Modification of Duties and Obligations of Fiduciary or Issuer of Credit Facility or Liquidity Facility. Notwithstanding the provisions of this Article IX, no modification or amendment of the Resolution shall change or modify any of the duties or obligations of any Fiduciary or the issuer of any Credit Facility or Liquidity Facility without its prior written consent thereto.

Section 909. Amendment Prior to Initial Issuance. The Authority is hereby authorized, prior to the execution and delivery of the initial Bonds, through the adoption of a supplemental resolution or the execution of a Certificate of Authority Officer, to approve and to implement any amendments and/or supplements to any financing documents, including this General Bond Resolution, that may be required to amend, modify or clarify the terms and conditions of this General Bond Resolution relating to the authorization, issuance, sale, security, flow of funds or covenants of the Bonds, or otherwise.

ARTICLE X

Default Provisions and Remedies of Trustee and Bondholders

Section 1001. Events of Default. The occurrence of any of the following events is hereby defined as and is declared to be and to constitute an "Event of Default," but only as it shall relate to the particular Series of Bonds that is the cause of the Event of Default:

(a) Default by the Authority in the due and punctual payment of any interest on any Bond; or

(b) Default by the Authority in the due and punctual payment of the principal or Redemption Price, if any, or Sinking Fund Installment of any Bond, whether at the stated maturity thereof, or the redemption date set therefor in accordance with the terms of the Resolution; or

(c) Subject to the provisions of Section 1009 hereof, failure by the Authority to observe and to perform any covenant, condition or agreement on the part of the Authority which is provided by the Resolution and the continuance of such failure for a period of thirty (30) days after written notice, or such longer period as shall be provided under Section 1009 hereof, specifying such failure and requesting that it be remedied, shall be given to the Authority by the Trustee; or

(d) The filing of a petition by the Authority seeking a composition of indebtedness under the Federal Bankruptcy Laws or under any other applicable law or statute of the United States of America or of the State of New Jersey; or

(e) Such additional Events of Default as may be set forth in a Supplemental Resolution of the Authority duly adopted in connection with the issuance of any Series of Bonds.

Section 1002. Remedies Upon an Event of Default. Upon the occurrence of an Event of Default, the Trustee may pursue any remedy which is available to it at law or in equity or by statute.

No remedy which is conferred upon or reserved to the Trustee or to the Bondholders by the terms of this Resolution is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such occurrence of any Event of Default or the acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

The Authority may provide for additional remedies as shall be provided by the terms of a duly adopted Supplemental Resolution or duly executed Certificate of Authority Officer.

Section 1003. Rights of Bondholders. If an Event of Default shall have occurred and shall be continuing and if requested to do so by the Holders of not less than a majority in aggregate principal amount of the Bonds which are then Outstanding and if indemnified as provided in the Resolution, the Trustee shall (subject to receipt of indemnification by the Bondholders in form and amount satisfactory to the Trustee) be obligated to exercise such one or more of the rights and the remedies conferred by this Article as the Trustee shall deem to be in the interests of the Bondholders and which are not contrary to law.

Section 1004. Rights of Bondholders to Direct Proceedings. Anything in this Resolution to the contrary notwithstanding, the (a) issuer of any Credit Facility or Liquidity Facility which is the Holder of any Bonds on the date of the occurrence of such Event of Default, and if none, then (b) owners of a majority in aggregate principal amount of the Bonds which are then Outstanding shall have the right, at any time, by a written instrument or instruments which shall be duly executed and delivered to the Trustee, to direct the method and the place of conducting all proceedings to be taken in connection with the enforcement of the terms and the conditions of this Resolution or for the appointment of a receiver or any other proceeding hereunder; provided however, that such direction shall not be otherwise than in accordance with the provisions of law.

Section 1005. Application of Moneys. All moneys which are received by the Trustee pursuant to any right which is given or any action which is taken under the provisions of this Article shall be deposited into the Bond Service Fund (after payment of the costs and the expenses of the proceedings resulting in the collection of such moneys and after payment of the fees, expenses, liabilities and advances which have been incurred or made by the Trustee, including legal fees), and all moneys which are on deposit in the various funds established under the terms of the Resolution (except the Rebate Fund) shall be applied as follows:

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

First: To the payment to the persons who are entitled thereto of all installments of interest which are then due on the Bonds in the order of the maturity of the installments of such interest and, if the amount which is available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amount due on such installment, to the persons who are entitled thereto, without any discrimination or privilege; and

Second: To the payment to the persons who are entitled thereto of the

unpaid principal of any of the Bonds that shall have become due (other than principal of Bonds with respect to the payment of which moneys are held pursuant to the provisions of the Resolution), in the order of their due dates, with interest on such bonds from the respective dates upon which they became due and, if the amount which is available shall not be sufficient to pay in full the Bonds which are due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons who are entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and the interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts which are due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Bonds shall later become due or be declared to be due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys which are available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and the record date pertaining thereto and on such date, interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such payment date and the record date pertaining thereto, and shall not be required to make payment to the owner of any Bond until such Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if paid in full.

Whenever the principal of, the redemption premium, if any, and the interest on all Bonds have been paid under the provisions of this Section and all fees, expenses, including legal fees, and charge of the Trustee have been paid, any balance which is remaining in the Bond Service Fund shall be paid to the Authority.

Section 1006. Remedies Vested in Trustee. All remedies and rights of action (including the right to file proof of claims) under this Resolution or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or

defendants any owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the owners of the Outstanding Bonds.

Section 1007. Rights and Remedies of Bondholders and Issuer of Credit Facility, Liquidity Facility or Bond Reserve Credit Facility. No owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the provisions of the Resolution, for the execution of any trust thereof or for the appointment of a receiver or to enforce any other remedy hereunder, unless (1) a default has occurred of which an authorized officer of the Trustee has been notified as provided in the Resolution, (2) such default shall have become an Event of Default and the owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds which are then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers which were hereinbefore granted or to institute such action, suit or proceeding in its own name; (3) such Bond Owners have provided the Trustee with the indemnification which is provided in the Resolution; and (4) the Trustee shall thereafter fail or shall refuse to exercise the powers hereinbefore granted or to institute such action, suit or proceedings in its own name. Such notification, request and offer of indemnification are hereby declared in every case (at the option of the Trustee) to be conditions precedent to the execution of the powers and the trusts of the Resolution and to any action or cause of action for the enforcement of the Resolution or for the appointment of a receiver or for any other right or remedy hereunder. No one or more owners of the Bonds shall have any right in any manner whatsoever to affect, to disturb or to prejudice the lien of the Resolution by its, his, her or their action or to enforce any right or remedy hereunder except in the manner herein provided and all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Holders of all Bonds which are then Outstanding. Nothing contained in this Resolution shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, redemption premium, if any, and the interest on any Bond at and after the maturity thereof or the redemption date set therefor, or the obligation of the Authority to pay the principal of, the redemption premium, if any, and the interest on each of the Bonds which are issued hereunder to the respective owners thereof at the time, at the place, from the sources and in the manner expressed in the Bonds.

Section 1008. Termination of Proceedings. If the Trustee shall have proceeded to enforce any right or remedy under the terms of the Resolution by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then in every such case the Authority and the Trustee shall be restored to their former respective positions and rights hereunder and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 1009. Waivers of Defaults. The Trustee may in its discretion waive any Event of Default hereunder, and the consequences specified in Section 1002, and rescind any declaration of maturity of principal and shall do so upon the written request of the owners of: (1) a majority in aggregate principal amount of all Bonds which are then Outstanding with respect to which an Event of Default in the payment of principal or interest exists; or (2) a majority in aggregate principal amount of all Bonds which are then Outstanding in the case of any other default; provided however, that there shall not be waived (a) any Event of Default with respect to

the payment of the principal of any Sinking Fund Installment or Bond at its maturity date or the redemption date prior to maturity, or (b) any Event of Default with respect to the payment of the interest on any Bond, unless prior to such waiver or rescission, all arrears of principal (due otherwise than by declaration) and interest, with interest (to the extent permitted by law) at the rate borne by the Bonds with respect to which such default shall have occurred on overdue installments of interest and all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee in connection with such default, including legal fees, shall have been paid or provided for and, in case of any such waiver or rescission or in case any proceedings taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 1010. Opportunity of the Authority to Cure Defaults. No Event of Default which is specified in Section 1001(c) hereof shall constitute an Event of Default hereunder until notice of such Event of Default shall be given by the Trustee or by the owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds which are then Outstanding to the Authority, by registered or certified mail, and the Authority shall have had thirty (30) days after receipt of such notice to correct such Event of Default or cause such Event of Default to be corrected and shall not have corrected such Event of Default or caused such Event of Default to be corrected within the applicable period; provided however, that if such Event of Default is such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default hereunder if corrective action which is designed to remedy such Event of Default is instituted by the Authority within the applicable period and diligently pursued until such Event of Default is corrected.

Section 1011. Notice of Events of Default. Notwithstanding anything contained herein to the contrary, the Trustee shall provide notice to the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility of the occurrence of any Event of Default which is known to the Trustee within ten (10) days of the Trustee's knowledge thereof.

Section 1012. Events of Default and Remedies Relating to Variable Rate Bonds. Notwithstanding any provision of this Article X to the contrary, in the event that any Series of Bonds are issued as Variable Rate Bonds, the provisions of this Article X may be supplemented by the provisions of a Supplemental Resolution duly adopted by the Authority prior to the authentication and delivery of such Variable Rate Bonds.

Section 1013. Issuer of Credit Facility, Liquidity Facility or Bond Reserve Credit Facility Treated as Holder of Bonds. Notwithstanding the provisions of the Resolution to the contrary, as long as the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility has not failed to honor its payment obligation under such Credit Facility, Liquidity Facility or Bond Reserve Credit Facility under the terms of any agreement between the Authority and the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility for the term of the Credit Facility, Liquidity Facility or Bond Reserve Credit Facility the issuer of the Credit Facility, Liquidity Facility or Bond Reserve Credit Facility shall be deemed to be the sole

Holder of the principal amount of Bonds which are secured under the terms of such Credit Facility, Liquidity Facility or Bond Reserve Credit Facility. As such, any actions which are permitted to be taken by (or required to be taken by) the Holders of any Series of Bonds which are entitled to the benefits of a Credit Facility, Liquidity Facility or Bond Reserve Credit Facility or any actions permitted to be taken by the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility shall instead be taken by the issuer of such Credit Facility, Liquidity Facility or Bond Reserve Credit Facility.

ARTICLE XI

Trustee, Paying Agent and Registrar

Section 1101. Appointment of Trustee. Such bank, trust company, national banking association or other banking institution doing business and having its principal office in the State of New Jersey or the Borough of Manhattan, County and State of New York having trust powers and as shall be named in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any of the Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be, shall be and hereby is appointed to serve as Trustee. A certified copy of such Supplemental Resolution or Certificate shall be delivered to such bank, trust company, national banking association or other banking institution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Resolution by executing the certificate of authentication endorsed upon the Bonds upon original issuance and by delivering a written acceptance thereof to the Authority. By executing such certificate of authentication upon any Bond and by delivery of such written certificate, the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the Bond so authenticated, but also with respect to all the Bonds to be issued thereafter in lieu of or in substitution therefor, but only, however, upon the terms and conditions set forth in the Resolution.

Section 1102. Appointment of Paying Agents, Registrar and Securities Depository. (a) The Authority shall appoint one or more Paying Agents for the Bonds (other than Book-Entry Bonds). Such Paying Agents shall be appointed pursuant to a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be, and the Authority may at any time or from time to time by Supplemental Resolution or Certificate of Authority Officer, as the case may be, appoint one or more other Paying Agents for such Bonds; provided however, that each Paying Agent shall not be liable for the acts or omissions taken or suffered by such other Paying Agents. Each Paying Agent shall be a bank, trust company, national banking association or other banking institution doing business and having an office in the State of New Jersey or in the Borough of Manhattan, County and State of New York and having trust powers if there be such a bank, trust company, national banking association or other banking institution willing and able to accept the office on reasonable and customary terms and which is authorized by law to perform all the duties imposed upon it by the terms of the Resolution. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Resolution by executing and delivering a written acceptance thereof to the Authority and to the Trustee. The Trustee may be appointed and may serve as a Paying Agent for the Bonds. Provisions relating to the payment of Book-Entry Bonds shall be determined by a Supplemental Resolution of the Authority, duly adopted prior to the authentication and delivery of such Book-Entry Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be.

(b) The Authority shall appoint a Registrar for each Series of Bonds by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Bonds or by a Certificate of Authority Officer, as the case may be. Such Registrar shall be a bank, trust company, national banking association or other banking institution doing

business and having an office in the State of New Jersey or in the Borough of Manhattan, City and State of New York, if there be such a bank, trust company, national banking association or other banking institution willing and able to accept the office on reasonable and customary terms and which is authorized by law to perform all of the duties which are imposed upon it by the terms of the Resolution. The Registrar shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Resolution by executing and delivering a written acceptance thereof to the Authority and to the Trustee. The Trustee or the Paying Agent may be appointed and may serve as a Registrar for the Bonds. Provisions relating to the transfer or registration of Book-Entry Bonds shall be determined by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Book-Entry Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be.

(c) In connection with the issuance of Book-Entry Bonds, the Authority shall appoint a Securities Depository for the purpose of (1) holding (on behalf of its participants) the Book-Entry Bonds in safekeeping, and (2) performing the duties which are otherwise performed by the Paying Agent for all Bonds and the Registrar for all Registered Bonds. Such Securities Depository shall be appointed pursuant to the terms of a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Book-Entry Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be. Such Securities Depository shall be a bank or corporation having its office in the continental United States which is willing and able to accept the appointment upon reasonable and customary terms and which is authorized by law to perform all of the duties which are imposed upon it by the terms of the Resolution.

Section 1103. Responsibilities of Fiduciaries. The recitals of fact which are contained in the Resolution and in the Bonds shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Bond which is issued thereunder or with respect to the security afforded by the terms of the Resolution, and no Fiduciary shall incur any responsibility in respect thereof. The Trustee or the Registrar, as the case may be, shall however, be responsible for the representation which is contained in its certificate of authentication which appears on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds which are derived from the sale thereof except that the Trustee shall be responsible for such application to the extent that such proceeds are paid to the Trustee in accordance with the provisions of Section 315 hereof and in connection with the issuance of Additional Bonds pursuant to the provisions of Section 317 hereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any action or suit with respect to the terms of the Resolution or the Bonds, or to advance any of its own moneys, unless properly indemnified by the Authority or the Bondholders, as the case may be. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Except as expressly provided herein, the Trustee shall not be required to ascertain or inquire as to the performance of any covenants to be performed or observed by the Authority

or the County under Lease 3.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Resolution. In case an Event of Default has occurred (which has not been remedied), the Trustee shall exercise such of the rights and powers which are vested in it by the terms of the Resolution, and shall use the same degree of care and skill in the exercise of such powers as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of the Resolution which relates to actions which have been taken or which are to be taken by the Trustee or which relates to the evidence upon which the Trustee may rely shall be subject to the provisions of this Section 1103.

Notwithstanding any of the foregoing, the Trustee, at least annually and as often as may be reasonably requested by the Authority (but not more frequently than monthly), shall be responsible for delivering a written statement to the Authority which details, among other things (a) the Bonds, if any, which have been purchased or redeemed by it pursuant to the terms of Section 506 hereof, (b) the report of the Registrar stating any new Bonds which have been issued in lieu of or in substitution for Bonds pursuant to the terms of Section 307, Section 308, Section 311, Section 705 or Section 906 hereof, and (c) the balances as of said dates, together with investment income, if any, which has been earned thereon, which are on deposit in each of the funds of the Authority which have been established and created by Section 401 or Section 501 hereof or which have been otherwise created and which are held by the Trustee pursuant to the terms thereof.

Section 1104. Facilities Held in Trust. All moneys and securities which are held by any Fiduciary at any time pursuant to the terms of the Resolution shall be and hereby are assigned, transferred and set over unto such Fiduciary in trust for the purpose and under the terms and conditions set forth in the Resolution.

Section 1105. Deposit and Security of Funds. To the extent permitted by law, all moneys (not including securities) which are held by any Fiduciary pursuant to the terms of the Resolution, may, subject to the provisions of this Section, and in accordance with the provisions of the Governmental Unit Deposit Protection Act (N.J.S.A. 17:9-41 et seq.), be deposited by it, in demand or time deposits, in its banking department or with such other banks, trust companies, national banking associations or other banking institutions, each having its principal office in the State of New Jersey, as may be designated by the Authority and approved by the Trustee. No such moneys shall be deposited with any bank, trust company, national banking association or other banking institution other than the Trustee, in an amount exceeding fifty per centum (50%) of the amount which an authorized officer of such bank, trust company, national banking association or other banking institution shall certify to the Trustee and to the Authority as the combined capital and surplus of such bank, trust company, national banking institution or other banking institution or as shall be set forth in the last timely published quarterly statement of such bank, trust company, national banking institution or other banking institution. Each Fiduciary shall allow and shall credit interest on any such moneys which are held by it at such rate as it customarily allows upon similar funds of similar size under similar conditions or as is required by law. Unless otherwise provided under the terms of the Resolution, interest with respect to

moneys or securities which are on deposit in any fund or account shall be credited in each case to the fund or account in which such moneys or securities are held.

Notwithstanding anything in the Resolution to the contrary, all accounts which are held by the Paying Agent or the Tender Agent for any purpose shall be non-interest bearing and all moneys which are so held shall not be invested by the Paying Agent or the Tender Agent pending disbursement of the same.

Section 1106. Evidence Supporting Action. Each Fiduciary and, in the case of Variable Rate Bonds, the Remarketing Agent, the Indexing Agent and the Tender Agent, shall be fully protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion, bond or other paper or document which it believes to be genuine and which it believes has been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection with respect to any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever any Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action under the Resolution, such fact or matter (unless other evidence with respect thereto is specifically prescribed herein) may be deemed to be conclusively proved and established by a Certificate of Authority Officer stating the same and such certificate shall be full warrant for any action taken or suffered by any Fiduciary upon the faith thereof under the provisions of the Resolution; provided however, that in its discretion, a Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction which is required or permitted to be furnished pursuant to any provision hereof by or on behalf of the Authority to any Fiduciary shall be sufficiently executed if executed in the name of the Authority by an Authorized Authority Representative.

Section 1107. Compensation. Unless otherwise provided for by the terms of a contract with the Fiduciary, the Authority shall pay reasonable compensation from time to time to each Fiduciary for all services rendered by it hereunder, and the Authority shall also reimburse any Fiduciary for all of its reasonable expenses, charges, counsel fees and other disbursements and those of its attorneys, agents, and employees which are incurred in and about the performance of its powers and duties hereunder, and each Fiduciary shall have a first lien therefor on any and all funds and other Facilities which shall at any time be held by it hereunder; provided however, that moneys which are on deposit in any fund which represents the proceeds from any draw made under any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility issued with respect to the Bonds shall not be subject to such lien. The Authority and/or the Bondholders, as the case may be, shall indemnify and shall save each Fiduciary harmless against any liabilities, losses or costs which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence or willful misconduct.

Section 1108. Certain Permitted Acts. Any Fiduciary may become the owner of or may deal in the Bonds as fully and with the same rights as it would have had if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any

committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Resolution, whether or not such committee shall represent the Holders of a majority in principal amount of the Bonds which are then Outstanding. Notwithstanding any other provision of the Resolution, nothing contained herein shall restrict any Fiduciary from entering into any contract, agreement or other relationship relating to the provision of banking, financial or other services to the Authority, the County, or any agencies thereof including the ability to provide Investment Obligations as long as the Fiduciary otherwise meets the requirements set forth in such definition.

Section 1109. Resignation of Fiduciary. Unless otherwise provided in any Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any Series of Bonds, or by the terms of any agreement by and between the Authority and such Fiduciary specifically authorized by a Supplemental Resolution of the Authority, a Fiduciary, or any successor thereof, may at any time resign and shall be discharged of its duties and obligations created by the Resolution by giving not less than sixty (60) days written notice to the Authority and by publishing notice thereof. Such notice shall specify the date when such resignation shall take effect and shall be published at least once in the Authorized Newspapers within twenty (20) days after the giving of such written notice. Upon receipt of any such notice, the Authority shall provide a copy of such notice to the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility. Except as otherwise provided herein, such resignation shall take effect on the day specified in such notice unless a successor shall have been previously appointed by the Authority or by the Bondholders, as herein provided, in which event such resignation shall take effect immediately upon the appointment of such successor. Notwithstanding anything herein to the contrary, such Fiduciary shall be obligated to continue to perform all of the duties and obligations required to be performed by such Fiduciary under the terms of this Resolution, until such time as a successor Fiduciary has been appointed and has accepted such appointment, as provided in the Resolution.

Section 1110. Removal. Unless otherwise provided in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any Series of Bonds, or by the terms of any agreement by and between the Authority and such Fiduciary specifically authorized by a Supplemental Resolution of the Authority, a Fiduciary, or any successor thereof, may be removed at any time by the Authority upon appointment of a successor or by the Holders of a majority in principal amount of the Bonds which are then Outstanding, excluding any Bonds which are held by or for the account of the Authority, upon forty-five (45) days written notice, by a written instrument or concurrent written instruments signed and duly acknowledged by the Authority or by such Bondholders or by their attorneys duly authorized in writing and delivered to the Authority. Such removal shall take effect upon the expiration of said forty-five (45) day period; provided however, that such removal shall not be effective until such time as a successor Fiduciary has been appointed and has accepted such appointment, as provided in this Resolution. Copies of each such instrument shall be delivered by the Authority to each of the other Fiduciaries and to any successor thereof and to the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility.

Section 1111. Appointment of Successor Fiduciary. Unless otherwise provided in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery

of any Series of Bonds, or the terms of any agreement by and between the Authority and such Fiduciary specifically authorized by a Supplemental Resolution of the Authority, in case any Fiduciary, 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 such Fiduciary or of its Facilities shall be appointed, or if any public officer shall take charge or control of such Fiduciary or of its Facilities or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds which are then Outstanding, excluding any Bonds which are held by or for the account of the Authority, by a written instrument or concurrent written instruments signed by such Bondholders, or by their attorneys, duly authorized in writing and delivered to such successor Fiduciary, and thereafter, notification thereof shall be given to the Authority, the predecessor Fiduciary, any other Fiduciaries and to the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility. Pending such appointment, the Authority shall forthwith appoint a successor Fiduciary to fill such vacancy until a successor Fiduciary shall be appointed by the Bondholders as herein authorized. The Authority shall publish notice of any such appointment in an Authorized Newspaper of the Authority within twenty days after such appointment. Any successor Fiduciary appointed by the Authority shall, immediately and without further act, be superseded by a Fiduciary appointed by the Bondholders. If in a proper case no appointment of a successor Fiduciary shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Fiduciary shall have given written notice to the Authority as provided in Section 1109 hereof or after the occurrence of any other event requiring or authorizing such appointment, the Fiduciary or any other fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint such successor. Said court may thereupon, after such notice, if any, as such court may deem proper and may prescribe, appoint such successor Fiduciary. Any successor Fiduciary appointed under the provisions of this Section shall be a bank, trust company, national banking association or other banking institution doing business and having its principal office located in the State of New Jersey or in the Borough of Manhattan, City and State of New York and having the qualifications which are prescribed by this Article, if there be such a bank, trust company, national banking association or other banking institution willing and able to accept the appointment on reasonable and customary terms and which is authorized by law to perform all duties which are imposed upon it by the terms of the Resolution. Notwithstanding any provision contained herein to the contrary, any successor trustee which shall be appointed shall have a capital and surplus of at least $25,000,000.

Section 1112. Transfer of Rights and Facilities to Successor Fiduciary. Any successor Fiduciary which is appointed under the provisions of Section 1111 hereof shall execute, acknowledge and deliver to its predecessor Fiduciary, and also to the Authority, a written instrument accepting such appointment, and thereupon such successor Fiduciary, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary, with like effect as if named herein as such Fiduciary. The Fiduciary ceasing to act shall nevertheless, upon payment of such Fiduciary's fees and expenses, and upon the written request of the Authority or of the successor Fiduciary, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required to more fully and certainly vest and confirm in such successor Fiduciary all the right, title and interest of the predecessor Fiduciary in and to any Facilities held by it under the terms of the Resolution. The

predecessor Fiduciary shall pay over, assign and deliver to the successor Fiduciary any money or other Facilities which is subject to the trusts and conditions herein set forth. Should any deed, conveyance or written instrument be required from the Authority by such successor Fiduciary to more fully and certainly vest in and confirm to such successor Fiduciary any such moneys, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and written instruments shall, upon request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Fiduciary shall promptly notify the other Fiduciaries of its appointment as such Fiduciary.

Section 1113. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which such Fiduciary may sell or transfer all or substantially all of its corporate trust business (provided that such company shall be a bank, trust company, national banking association or other banking institution which is qualified to be a successor to such Fiduciary under the provisions of Section 1111 hereof, and which shall be authorized by law to perform all the duties imposed upon it by the terms of the Resolution) shall be the successor to such Fiduciary without the execution or filing of any paper, or the performance of any further act, deed or conveyance.

Section 1114. Adoption of Authentication. In case any of the Bonds which are contemplated to be issued under the terms of the Resolution shall have been authenticated but not delivered, any successor Trustee or Registrar, as the case may be, may adopt the certificate of authentication of any predecessor Trustee or Registrar so authenticating such Bonds and may deliver such Bonds so authenticated. In any case where any Bonds shall not have been authenticated, any successor Trustee or Registrar may authenticate such Bonds in the name of the predecessor Trustee or Registrar, as the case may be, or in the name of the successor Trustee or Registrar, and in all such cases such certificate of authentication shall have the full force and effect which is provided in said Bonds or in the Resolution.

ARTICLE XII

Miscellaneous

Section 1201. Defeasance. 1. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds of a particular Series, or any maturity within a Series, the principal of, redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then (a) the pledge of any Revenues, and other moneys and securities which are pledged to the Holders of such Series, or maturity within a Series, under the terms of the Resolution, (b) all covenants, agreements and other obligations of the Authority and (c) the lien, benefit and security under the Resolution, shall thereupon cease, terminate and become void and shall be discharged and satisfied. In such event, the Trustee shall cause a statement to be prepared and filed with the Authority for such period or periods as shall be requested by the Authority, and, upon the request of the Authority, the Trustee shall execute and deliver to the Authority, all such instruments as may be desirable to evidence such discharge and satisfaction, and, upon payment of all fees and expenses which are due and owing to the Trustee, and any Paying Agent, the Trustee and any Paying Agent shall pay over or deliver to the Authority all moneys or securities which are held by them pursuant to the terms of the Resolution which are not required for the payment of the principal of, redemption premium, if any, and interest which is due or which is to become due on the Bonds of such Series, or maturity within such Series.

2. All Bonds of any Series, or any maturity within a Series, for the payment or redemption of which moneys shall have been set aside and shall be held in trust shall be deemed to have been paid within the meaning and with the effect expressed in subparagraph (1) of this Section. All Outstanding Bonds of such Series, or of any maturity within such Series shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subparagraph (1) of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee (in a form which is satisfactory to the Trustee) irrevocable written instructions to mail notice of redemption of such Bonds on said date, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Obligations (which are not redeemable at the option of the issuer) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, which have been deposited with the Trustee at the same time shall be sufficient to pay when due the principal of, redemption premium, if any, and the interest which is due and which is to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, as shall be verified in a report of an Accountant and/or a certificate duly executed by the Trustee and (c) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee (in a form which is satisfactory to the Trustee) a notice to be mailed, first-class mail, postage prepaid to the Holders of such Bonds that the deposit required by clause (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the terms of this Section and such notice shall state such maturity or redemption date upon which moneys are to be available for the payment of the principal of, redemption premium, if any, and interest on said Bonds. To the extent that the moneys or the principal of and interest on the Defeasance Obligations referred to above are

sufficient to provide for the defeasance of all Outstanding Bonds of such Series, or a maturity within such Series, any additional moneys which are generated or which are available may be paid over to the Authority by the Trustee and may be used by the Authority for any lawful purpose, free and clear of any trust, lien or pledge. Any deficiency in the amounts which are on deposit with the Trustee which are necessary to accomplish a defeasance of the Bonds in accordance with the terms of this Section shall be deposited promptly by the Authority with the Trustee for the purposes of accomplishing said defeasance.

3. Notwithstanding anything contained herein to the contrary, no such defeasance shall be effective until all payments which are due and owing to the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility issued for or with respect to the Bonds to be defeased have been paid by, or on behalf of the Authority.

4. Notwithstanding anything herein to the contrary, any obligation of the Authority to make a payment to the United States of America pursuant to the provisions of Section 509 hereof shall survive the defeasance of the lien of the Resolution provided under this Section 1201.

5. Notwithstanding anything contained herein to the contrary, any payments made pursuant to this Section 1201 by the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility shall be deemed to be made in satisfaction of the Authority's obligations to the Holders of the Bonds with respect to which and to the extent to which such payments are made. However, such payments by the issuer of such Credit Facility, Liquidity Facility or Bond Reserve Credit Facility shall not be deemed to satisfy the Authority's obligation to make payment to the issuer of such Credit Facility for or in respect of such Bonds.

Section 1202. Unclaimed Funds. Anything in the Resolution to the contrary notwithstanding, any moneys which are held by any Fiduciary in trust for the payment of the principal of, redemption premium, if any, and interest on any of the Bonds which remain unclaimed for six months after the date when such Bonds have become due and payable if such moneys were held by the Fiduciary at such date, or for six months after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds shall become due and payable, such moneys shall be repaid to the County by such Fiduciary as its absolute Facilities and such moneys shall be free from the trusts created by the terms of the Resolution. The Fiduciary shall thereupon be released and discharged with respect to such moneys and the Bondholders shall look only to the County for the payment of such Bonds; provided however, that before being required to make any such payment to the County, the Trustee, shall, at the expense of the County, cause to be published at least twice, at an interval of not less than seven days between publications, in the Authorized Newspapers, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the County.

Section 1203. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent or other instrument which the Resolution may require or may 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 duly authorized in writing. Proof of (1) the execution of any such instrument, or of an instrument appointing any such attorney, or (2) the holding by any person of the Bonds shall be sufficient for any purpose of the Resolution (except as otherwise expressly provided herein) if made in the following manner, but the Trustee may nevertheless in its sole discretion require further or other proof in cases where it deems the same to be desirable:

(a) The fact and date of the execution by any Bondholder or by his attorney of such instrument may be proved by the certificate (which need not be acknowledged or verified) of an officer of a bank, trust company, national banking association or other banking institution (which is satisfactory to the Trustee) or of any notary public or other officer which is authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The Authority or the person or persons executing any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary; and

(b) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the registration books of the Authority which shall be kept and maintained on behalf of the Authority by the Registrar. Any request or consent by the owner of any Bonds shall bind all future owners of such Bonds with respect to anything done or suffered to be done.

Section 1204. Execution of Payment Documents. Every requisition, certificate or request of the Authority which is to be delivered to or filed with the Trustee, Paying Agent, Registrar or Tender Agent with respect to Variable Rate Bonds, under the provisions of the Resolution shall be signed by an Authorized Authority Representative or an Authorized County Representative, as applicable.

Section 1205. Preservation and Inspection of Documents. All requisitions, requests, certificates, opinions and other documents which are received by the Trustee under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the Accountant, any Bondholder and their agents and their representatives, any of whom may make copies thereof but any such reports, certificates, statements or other documents may, at the election of the Trustee, be destroyed or otherwise disposed of at any time which is at least six years after such date as the pledge of the Revenues created by the Resolution shall be discharged as provided in Section 1201 hereof.

Section 1206. Regulations Regarding Investment of Funds. (a) Obligations which are purchased as an investment of moneys in any fund which has been established under the terms of the Resolution shall be deemed at all times to be a part of such fund, and, except as may be otherwise expressly provided in other Sections of the Resolution, the interest thereon and any profit arising on the sale thereof shall be credited to such fund, and any loss resulting from the sale thereof shall be charged to such fund.

(b) A valuation of each Fund established and created under the terms of the Resolution, including all Investment Obligations therein, shall be made by the Trustee as set forth below as often as is deemed necessary by any issuer of a Credit Facility, Liquidity Facility or Bond Reserve Credit Facility, but not less often than quarterly nor more often than monthly. In addition, all Investment Obligations in such Funds shall be valued by the Trustee at any time which is required by the County upon provision by the County of reasonable notice.

(c) In computing at any date the amount in any such fund for any purpose hereunder, obligations due within one year after such date shall be valued at the lower of the market price thereof or face value or, if not due within one year after such date shall be valued at the lower of cost or market price thereof. Each obligation may be so valued as of any time within four days prior to such date. The Trustee shall sell any obligations (at the best available price) whenever it shall be necessary to do so in order to provide moneys to make any withdrawal or payment from such fund, and the Trustee shall not be liable or responsible for any loss which results from any such investment which is made in accordance with the terms of the Resolution. For the purposes of any such investment, obligations shall be deemed to mature at the earliest date on which the issuer thereof is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations.

Section 1207. Form of Bonds, Certificate of Authentication. Subject to the provisions of the Resolution, the forms of any Series of the Bonds, the certificate of authentication to be executed by the Trustee or the Registrar, as the case may be and the provisions for registration to be endorsed thereon shall be, respectively, in substantially the following forms, with such omissions, insertions, endorsements and variations as to redemption or other provisions or as to recitals of fact as may be required by the circumstances and as may be required or permitted by the terms of the Resolution or as may be consistent with the terms of the Resolution and which are necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(FORM OF REGISTERED BOND)

THE HUDSON COUNTY IMPROVEMENT AUTHORITY

COUNTY SECURED LEASE REVENUE BONDS, SERIES 2016
(HUDSON COUNTY VOCATIONAL-TECHNICAL SCHOOLS PROJECT)

$ _____ No.

INTEREST RATE PER ANNUM	DATED DATE	MATURITY DATE	DATE OF AUTHENTICATION	CUSIP NUMBER

THE HUDSON COUNTY IMPROVEMENT AUTHORITY (hereinafter called the "Authority"), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey, acknowledges itself indebted and for value received hereby promises to pay to _____ or registered assigns, the principal sum of _____ Dollars ($_____), on the **MATURITY DATE** stated above or on the date fixed for redemption, as the case may be, together with interest on such principal sum from the date of this bond until the Authority's obligation with respect to the payment of such principal sum shall be discharged, at the **INTEREST RATE PER ANNUM** stated above on _____, 20__, and semiannually thereafter on the _____ days of _____ and _____. This bond, as to principal and redemption premium, if any, when due, will be payable at a corporate trust office of _____. Interest on this Bond will be payable by check and will be mailed to the registered owner hereof who shall appear on the registration books of the Authority which shall be kept and maintained by the Registrar hereinafter mentioned, as determined on the _____ of _____ and _____ (the "Record Date") [or, in the case of any proposed redemption of the Bond, next preceding the date of the first mailing of notice of such redemption]. Payment of the principal of, redemption premium, if any, and interest on this bond shall be made 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.

[INSERT PROVISIONS FOR VARIABLE RATE BONDS]

This bond is one of the duly authorized issue of revenue bonds, each designated as "County Secured Lease Revenue Bond, Series 2016 (Hudson County Vocational-Technical Schools Project)" (the "Bond" or "Bonds") of the Authority, limited to the aggregate principal amount of $_____, and authorized and issued under and pursuant to the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960, of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (hereinafter called the "Act"), and under and in accordance with a resolution of the Authority duly adopted on March 23, 2016 and entitled "Resolution Authorizing The Issuance Of County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project) Of The Hudson County Improvement Authority And Determining Other Matters Related Thereto," as amended and supplemented (hereinafter called the "Resolution"). Copies of the Resolution are on file in the

office of the Authority in Jersey City, Hudson County, New Jersey and at the principal corporate trust office of _____, _____, New Jersey (the "Trustee"), as trustee under the Resolution.

This Bond is a special obligation of the Authority and is payable from the Revenues of the Authority, as such term is defined in the Resolution.

Pursuant to the terms of the Resolution, the Authority may hereafter issue additional Bonds (hereinafter called "Additional Bonds") for the purposes, in the amounts and on the conditions set forth in the Resolution. All Bonds which are issued and which are to be issued under the terms of the Resolution, including all Additional Bonds, are and will be equally secured by the pledge of the funds and revenues provided in the Resolution except as otherwise expressly provided in or pursuant to the terms of the Resolution.

Reference to the Resolution and any and all resolutions supplemental thereto and any modifications and amendments thereof and to the Act is made for a description of the nature and extent of the security for the Bonds, the funds or revenues pledged for the payment thereof, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the Holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and upon which they may be issued thereunder, and a statement of the rights, duties, immunities and obligations of the Authority and of the Trustee.

To the extent and in the respects permitted by the Resolution, the provisions of the Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by action taken on behalf of the Authority in the manner and subject to the conditions and exceptions which are set forth in the Resolution. The pledge of the Revenues and other obligations of the Authority under the terms of the Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Resolution.

This Bond is transferable, as provided in the Resolution, only upon the registration books of the Authority which are kept and maintained for that purpose at a corporate trust office of _____, _____, New Jersey (the "Registrar"), as registrar under the Resolution, or its successor as Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Registrar and which is duly executed by the registered owner or by such duly authorized attorney, together with the required signature guarantee, and thereupon the Authority shall issue in the name of the transferee a new registered Bond or Bonds, of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Bond as provided in the Resolution, upon payment of the charges therein prescribed. The Authority, the Trustee, the Registrar and any Paying Agent of the Authority may treat and consider the person in whose name this Bond is registered as the Holder and absolute owner of this Bond for the purpose of receiving payment of the principal of, redemption premium, if any, and interest due thereon and for all other purposes whatsoever.

[The Bonds maturing on or after _____, are subject to redemption at the option of the Authority prior to maturity, upon the provision of notice as set forth below, as a whole or in part at any time, [in inverse order of maturity and] by lot within any maturity on and after , at a price equal to the redemption price, if redeemed in any periods shown in the following table, expressed as a percentage of such principal amount of Bonds to be redeemed, set opposite such period and applicable upon such redemption, together with interest accrued thereon to the redemption date:

Period (Both Dates Inclusive)	Redemption Price]

[The Bonds which mature on _____ are subject to mandatory redemption prior to maturity, in part, upon the provision of notice as set forth below, by operation of the Sinking Fund which has been established and created under the Resolution, upon the terms and conditions and on the dates and in the amounts which are set forth in the Resolution, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued to the date fixed for redemption.]

A notice of redemption shall be mailed, not less than twenty-five (25) days prior to the redemption date, to the registered owner hereof, in accordance with the provisions of the Resolution. If notice of redemption shall have been provided as aforesaid, the Bonds which are specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all of the Bonds which are to be redeemed, together with interest accrued thereon to the redemption date, shall be available for such payment on said date, then from and after the redemption date, interest on such Bonds shall cease to accrue and become payable to the Holders who are entitled to receive payment thereof upon such redemption.

THE ACT PROVIDES THAT NEITHER THE MEMBERS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF.

THE BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR OF THE COUNTY OF HUDSON OR OF ANY COUNTY OR POLITICAL SUBDIVISION OF THE STATE, OTHER THAN THE AUTHORITY (EXCEPT TO THE EXTENT OF THE OBLIGATIONS OF THE COUNTY OF HUDSON, NEW JERSEY TO MAKE PAYMENTS UNDER AND PURSUANT TO LEASE 3) AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OF NEW JERSEY OR OF THE COUNTY OF HUDSON OR OF ANY COUNTY OR POLITICAL SUBDIVISION OF THE STATE, OTHER THAN THE AUTHORITY (EXCEPT THE COUNTY OF HUDSON, NEW JERSEY AS STATED ABOVE), EITHER LEGAL, MORAL OR OTHERWISE.

It is hereby certified and recited that all conditions, acts and things which are required by the Constitution or by the statutes of the State of New Jersey or by the Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed and that the Bonds, together with all other indebtedness of the Authority, are within every debt and other limit prescribed by said Constitution or statutes.

This Bond shall not be entitled to any security or benefit under the terms of the Resolution or be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Trustee upon original issuance and thereafter by the Registrar.

IN WITNESS WHEREOF, THE HUDSON COUNTY IMPROVEMENT AUTHORITY has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Executive Director, and its corporate seal to be affixed, impressed or reproduced hereon, and this Bond and such seal to be attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the **DATED DATE** set forth above.

HUDSON COUNTY
IMPROVEMENT AUTHORITY

ATTEST:

_____
Assistant Secretary

By: _____
Executive Director

[SEAL]

[FORM OF CERTIFICATE OF AUTHENTICATION ON ALL BONDS]

"CERTIFICATE OF AUTHENTICATION"

This bond is one of the Bonds described in the within-mentioned Resolution and is one of the "County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational – Technical Schools Project)" of The HUDSON COUNTY IMPROVEMENT AUTHORITY.

_____,	or	_____,
as Trustee		as Registrar
By: _____		By: _____
Authorized Signature		Authorized Signature"

[FORM OF ASSIGNMENT
ON BACK OF REGISTERED BOND]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto [PLEASE PRINT OR TYPE NAME, ADDRESS AND TAXPAYER IDENTIFICATION NO. OF ASSIGNEE] the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ , as Attorney, to transfer the within Bond on the registration books of The HUDSON COUNTY IMPROVEMENT AUTHORITY, with full power of substitution and revocation.

NOTICE: The signature to this assignment must correspond with the name of the registered owner hereof as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Dated:

SIGNATURE GUARANTEE:

(National Bank, trust company or commercial bank located in the City or State of New York, or the State of New Jersey, or any member of the New York Stock Exchange)

Section 1208. Effective Date. This resolution shall take effect immediately.

RECORDED VOTE:

	YES	NO	ABSTAIN	NOT PRESENT
Fred M. Bado	X			
James P. Doran, ED.D.				X
Jeffrey Dublin	X			
Stephen J. Gallo	X			
Nicholas Goldsack	X			
Frank Lorenzo	X			
Martin T. Martinetti	X			
John A. Peneda	X			
Frank Pestana	X			

The foregoing is a true and complete copy of a resolution of the Hudson County Improvement Authority adopted at a meeting thereof duly called and held on Wednesday, March 23, 2016.

Carmen Lozano

CARMEN LOZANO, ASSISTANT SECRETARY
(SEAL)

APPENDIX D

COPY OF THE ORIGINAL LEASE AGREEMENT AND FORM OF THE FIRST AMENDMENT THERETO

FIRST AMENDMENT TO LEASE AND AGREEMENT

BY AND BETWEEN

THE HUDSON COUNTY IMPROVEMENT AUTHORITY

AND THE

COUNTY OF HUDSON, NEW JERSEY

DATED NOVEMBER __, 2026

This **FIRST AMENDMENT TO LEASE AND AGREEMENT**, dated November __, 2026 (the "First Lease Amendment"), by and between the Hudson County Improvement Authority, a body politic and corporate of the State of New Jersey (the "Authority") and the County of Hudson, a body politic and corporate of the State of New Jersey (the "County"), amending the Lease and Agreement, dated May 17, 2016 (the "Original Lease Agreement", together with this First Lease Amendment, the "Lease Agreement") by and between the Authority and the County.

W I T N E S S E T H:

WHEREAS, the Hudson County Improvement Authority (the "Authority") has been duly created by resolution of the County of Hudson, State of New Jersey (the "County"), duly adopted September 25, 1974, as a public body corporate and politic of the State of New Jersey and was reorganized by ordinance adopted by the Board of County Commissioners (formerly known as the Board of Chosen Freeholders) of the County at a meeting thereof duly held on August 9, 1991 pursuant and in accordance with the "County Improvement Authorities Law", N.J.S.A. 40:37A-44 *et seq.* (the "Act"); and

WHEREAS, pursuant to the terms of the Act, the Authority is authorized to provide "public facilities" (as such term is defined in the Act) within the County by lease or purchase, to construct, reconstruct and rehabilitate improvements thereon and to lease same to any county; and

WHEREAS, pursuant to the terms of the Educational Facilities Construction and Financing Act, N.J.S.A. 18A:7G-1 et seq., (the "EFCFA"), a vocational school district may request a county improvement authority to construct and finance a school facilities project, the county improvement authority may select a design-builder to help design and construct the school facilities project through a design-build procurement in a manner consistent with the New Jersey Schools Development Authority regulations, N.J.A.C. 19:36-1 et seq., and a county improvement authority may issue bonds to finance the project, receive debt service aid available for the school facilities project under the EFCFA, and enter agreements with other public bodies including a county and school of technology; and

WHEREAS, on May 17, 2016, the Authority issued $160,000,000 County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project) (the "2016 Bonds") to (i) construct a new vocational and technical high school facility for the Hudson County Schools of Technology ("HCST"), located in the Town of Secaucus, in the County and (ii) provide furnishings, equipment, athletic facilities, site work and other related facilities therefor (the "Project"); and

WHEREAS, the 2016 Bonds were issued pursuant to the terms of the Act, EFCFA, other applicable law and the general bond resolution adopted by the Authority on March 23, 2016, entitled "Resolution Authorizing the Issuance of County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project) of the Hudson County Improvement Authority and Determining Other Matters Related Thereto", as the same may be amended or supplemented from time to time in accordance with its terms (the "Bond Resolution"); and

WHEREAS, to implement the Project, the County, pursuant to a ground lease agreement entered into by and between the County and HSCST, leased the premises commonly known as Block 5, Lot 2.01 on the approved tax map of the Town of Secaucus (the "Premises") to the HCST for a period of 75 years ("Lease 1"); the HCST, pursuant to a sub-ground lease agreement entered into by and between the HCST and the Authority, sub-leased the Premises to the Authority for the construction and implementation of the Project ("Lease 2"); the Authority, pursuant to a lease and agreement entered into by and between the Authority and the County, leased the Premises together with the facilities to be constructed thereon to the County at a rental price and for a duration sufficient to pay the debt service due on the 2016 Bonds and pay

all other costs of the Authority incidental to Project ("Lease 3" and also referred to herein as the "Original Lease Agreement"); and the County, pursuant to a lease agreement entered into by and between the County and HCST, leased the Premises and the new facilities to be constructed thereon to the HCST ("Lease 4" and together with Lease 1, Lease 2 and Lease 3, the "Leases"), all with the intent that the Project will vest in the HCST and that Lease 2, Lease 3 and Lease 4 will terminate when the 2016 Bonds and bonds issued to refund the 2016 Bonds are no longer outstanding and all amounts owing to the Authority in connection with the Project have been paid; and

WHEREAS, the Authority and the County entered into the Original Lease Agreement in order to effectuate the leasing of the Premises and facilities constructed thereon from the Authority to the County for purposes of securing the 2016 Bonds and the application of the payment of Basic Rent by the County under the Original Lease Agreement to the payment of principal of and interest on the 2016 Bonds; and

WHEREAS, the Authority determined by a resolution duly adopted on September 9, 2026 to refund the 2016 Bonds through the issuance by the Authority of its County Secured Lease Revenue Refunding Bonds, Series 2026 (Hudson County Vocational-Technical Schools Project) (or such other year designation as may be appropriate at the time of issuance) in an aggregate principal amount not to exceed $145,000,000 (the "Refunding Bonds" or the "2026 Bonds); and

WHEREAS, to realize an aggregate debt service savings equal to or greater than three percent (3%) of the net present value of the 2016 Bonds, the Authority shall refinance the 2016 Bonds through the issuance of the 2026 Bonds (the "Refunding"); and

WHEREAS, pursuant to Section 5.1 of the Original Lease Agreement, Basic Rent for the Facilities (as defined in the Original Lease Agreement), as set forth in Exhibit A to the Original Lease Agreement, may be adjusted by the Authority in the event the Authority issues refunding bonds to refund the 2016 Bonds to produce interest cost savings; and

WHEREAS, Section 5.1 of the Original Lease Agreement further provides that in the event such a refunding occurs, the Authority will provide the County with a new Exhibit A, which shall be acknowledged by the Executive Director of the Authority and the Chief Financial Officer of the County, and shall thereafter become effective with no further action required by the County or Authority; and

WHEREAS, in order to reflect the Refunding and the issuance of the 2026 Bonds, the parties desire to enter into this First Lease Amendment to amend the "Schedule of Basic Rent Payments and Improvement Authority Administrative Fee" attached to the Original Lease Agreement as Exhibit A, to provide for the payment of Basic Rent by the County in an amount sufficient to pay principal of and interest on the 2026 Bonds and any administrative fees related thereto.

NOW, THEREFORE, the parties hereto mutually agree as follows:

SECTION 1. Attached hereto as Exhibit A is the amended "Schedule of Basic Rent Payments and Improvement Authority Administrative Fee" that reflects the Refunding and secures the payment of principal of and interest on the 2026 Bonds, which Exhibit A shall replace the "Schedule of Basic Rent Payments and Improvement Authority Administrative Fee" set forth in Exhibit A to the Original Lease Agreement.

SECTION 2. This First Lease Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures hereto and thereto were upon the same instruments.

SECTION 3. This First Lease Amendment shall be governed by and construed in accordance with the laws of the State of New Jersey.

SECTION 4. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Original Lease Agreement.

SECTION 5. Except as specifically amended herein, all the terms and provisions of the Original Lease Agreement are hereby reaffirmed and shall remain in full force and effect, as applicable.

IN WITNESS WHEREOF, the parties hereto have each caused this First Lease Amendment to be executed under seal by their duly Authorized Representatives as of the date first above written and each party further acknowledges receipt of a true copy of this First Lease Amendment.

[SEAL]

ATTEST:

HUDSON COUNTY IMPROVEMENT AUTHORITY

_____

Fatima Zeidan, Assistant Secretary

By:_____

Norman M. Guerra, Chief Executive Officer

[SEAL]

ATTEST:

COUNTY OF HUDSON, NEW JERSEY

_____

By:_____

Cheryl Fuller, Chief Financial Officer

Exhibit A

SCHEDULE OF BASIC RENT PAYMENTS AND IMPROVEMENT AUTHORITY ADMINISTRATIVE FEE

LEASE AND AGREEMENT

BETWEEN

THE HUDSON COUNTY IMPROVEMENT AUTHORITY

AND

THE COUNTY OF HUDSON

Dated May 17, 2016

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WITNESETH

WHEREAS, the Hudson County Improvement Authority (the "Authority" or "Improvement Authority") has been duly created by resolution of the Board of Chosen Freeholders of the County of Hudson (the "County"), duly adopted September 25, 1974, as a public body corporate and politic of the State of New Jersey and was reorganized by ordinance adopted by the Board of Chosen Freeholders of the County at a meeting thereof duly held on August 8, 1991 pursuant to and in accordance with the "County Improvement Authorities Law", *N.J.S.A.* 40:37A-44 *et seq.* (the "Act"); and

WHEREAS, pursuant to the terms of the Act, the Authority is authorized to provide "public facilities" (as such term is defined in the Act) within the County by lease or purchase, to construct, reconstruct and rehabilitate improvements thereon and to lease same; and

WHEREAS, the Board of Education of the Hudson County Schools of Technology ("HCST") desires to have constructed a new vocational and technical high school facility to be located in the Town of Secaucus, in the County and to provide furnishings, equipment, athletic facilities, site work and other related facilities therefor (the "Facilities" and the finance thereof, the "Project"); and

WHEREAS, pursuant to the terms of newly enacted Chapter 68 of the Pamphlet Laws of 2015, effective June 26, 2015 (the "2015 Vocational School Construction and Financing Act") a vocational school district may request a county improvement authority to construct and finance a school facilities project, the county improvement authority may select a design builder to help design and construct the Facilities through a design-build procurement in a manner consistent with the New Jersey Schools Development Authority regulations, N.J.A.C. 19:36-1 *et seq.* (the "Design Build Procurement Regulations"), the county improvement authority may issue its bonds to finance the Project, receive debt service aid available for the school facilities project under the Educational Facilities and Construction and Financing Act, N.J.S.A. 18A:7G-1 *et seq.*, and enter agreements with other public bodies including a county of vocational school relating to the development, design, construction and/or rehabilitation of improvements relating to the Project, including a lease with a county to secure the payment of such bonds; and

WHEREAS, in accordance with the provisions of the 2015 Vocational School Construction and Financing Act, HCST has asked the Authority to finance the acquisition, construction, renovation, improvement, equipping, furnishing and installation of the Project to be leased to and utilized by HCST, including but not limited to the Facilities; and

WHEREAS, in order to finance the Project, the Authority shall issue in one or more series, including renewals, if any, an aggregate principal amount not to exceed $160,000,000, each series thereof designated as a "County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical School Project)" (the "Bonds"); and

WHEREAS, to implement the Project the County shall lease the premises commonly known as Block 5, Lot 2.01 on the approved tax map of the Town of Secaucus (the "Premises") to HCST for a period of 75 years ("Lease 1"), HCST shall sublease the Premises to the Authority for the construction and implementation of the Project ("Lease 2"), the Authority shall further sublease the Premises and lease the Facilities to be constructed thereon to the County for rental payments and duration sufficient to pay the debt service due on the Bonds and pay all other costs of the Authority incidental to Project (the "Lease 3"), and the County shall then sublease the Premises and the new Facilities constructed thereon to HCST ("Lease 4" and together with Lease 1 and Lease 3, the "County Leases", and together with Lease 2, the "Leases"). The Project will vest in HCST and Lease 2, Lease 3 and Lease 4 will expire when the Bonds are no longer outstanding and all amounts owing to the Authority in connection with the Project have been paid; and

WHEREAS, the Authority has duly adopted a resolution on March 23, 2016 entitled, "Resolution Authorizing the Issuance of County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project) of the Hudson County Improvement Authority and Determining Other Matters Related Thereto" (the "General Bond Resolution"), providing for, among other thing, the issuance of the Bonds by the Authority; and

WHEREAS, Bonds shall be issued pursuant to the terms of the Act, the General Bond Resolution, as amended and supplemented including an award certificate (the "Award Certificate") determining the terms and details of the Bonds, and together with the General Bond Resolution (the "Resolution"), other applicable law; and

WHEREAS, the principal of, redemption premium, if any, and interest on the Bonds shall be secured by valid and binding lease payments made by the County to the Authority under the terms of Lease 3; and

WHEREAS, in accordance with Section 13 of the Act (N.J.S.A. 40:37A-56), the Authority has made a detailed report to the Board of Chosen Freeholders of the County with respect to the public facilities undertaken by the Authority, which report includes the following by reference, without limitation: the General Bond Resolution, including a form of the Bonds, the Award Certificate, and the Leases (collectively, the "Financing Documents") and

WHEREAS, on March 24, 2016, the County finally adopted Ordinance No. 193-03-2016 authorizing the execution and delivery of Lease 3; and

WHEREAS, the County, the HCST and the Authority agree that their mutual public purposes and their best interests will be promoted by the execution and delivery of the Leases all pursuant to the powers conferred by the Act and the 2015 Vocational School Financing and Construction Act;

NOW, THEREFORE, the parties hereto mutually agree as follows:

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

SECTION 1.1. Definitions. The terms that are set forth in this Section or defined in the recitals hereto shall, unless the context clearly requires otherwise, have the meanings that are set forth below. Words that are used as defined terms herein but that are not defined herein shall have the meanings that are assigned to such terms in the Resolution (as defined herein). Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

"Act" shall mean the county improvement authorities law, constituting Chapter 183 of the New Jersey Laws of 1960, of the State of New Jersey, and the acts amendatory thereof and supplemental thereto;

"Additional Bonds" shall mean any Series of Bonds, other than the Bonds that are issued under the provisions of the Initial Resolution;

"Additional Project" shall mean any additions, enlargements, improvements, expansions, repairs, restorations or reconstruction of the Facilities or the acquisition, construction or improvement of any facilities by the Authority that are used or useful in connection with the Facilities, including, without limitation, all real and personal property and rights therein and any appurtenances that are necessary or useful and convenient therefor;

"Additional Rent" shall mean the rental payments that are required to be made by the County pursuant to the provisions of Section 5.1(b) hereof;

"Administrative Expenses" shall mean any and all expenses incurred by the Authority in carrying out its duties under the terms of this Agreement or the Resolution, including, without limitation, accounting, administrative, financial advisory and legal expenses and the fees and expenses of the Trustee (as defined herein), any paying agents or any other fiduciaries or agents acting under the provisions of the Resolution;

"Agreement" shall mean this Lease and Agreement by and between the Authority and the County and any and all modifications, alterations, amendments and supplements hereto that are made in accordance with the provisions hereof and the provisions of the Resolution;

"Authority" shall mean the Hudson County Improvement Authority, a public body corporate and politic of the State of New Jersey organized and existing under the Act and created by virtue of a resolution of the Board of Chosen Freeholders of the County, duly adopted September 25, 1974;

"Authorized Authority Representative" means the Chairman, Vice Chairman, Chief Executive Officer or the Executive Director of the Authority and any other person or persons who shall be authorized to act on behalf of the Authority by virtue of a written certificate, duly executed on behalf of the Authority by the Chairman or the Executive Director of the Authority, which sets forth the specimen signatures of each such person or any other Authority Officer or Representative designated by Supplemental Resolution of the Authority;

"Authorized County Representative" means the County Executive, County Administrator or the Director of the Department of Finance and Administration/County Treasurer or any other person or persons who shall be authorized to act on behalf of the County by written certificate, duly executed on behalf of the County by the County Executive, which sets forth the specimen signature of each such person;

"Basic Rent" shall mean that portion of the Rentals that are required to be made by the County pursuant to the provisions of Section 5.1(a) hereof, and which amounts in no event shall be less the debt service on the Bonds, less any State debt service aid provided to the Authority in accordance with the requirements of the 2015 Vocational School Construction and Financing Act and the Educational Facilities and Construction and Financing Act, N.J.S.A. 18A:7G-1 *et seq.*;

"Bond or Bonds" shall mean the Initial Bonds and any bond or bonds, as the case may be, of the Authority which are authorized pursuant to the Resolution and which may be issued in one or more Series pursuant to the terms of Article III of the Resolution in order to provide funds for payment of the acquisition, construction, renovation, improvement, equipping, furnishing and installation of the Facilities, and any bonds issued in lieu of or in substitution for such Bonds pursuant to the terms of the Resolution;

"Bond Reserve Credit Facility" shall have the meaning that is assigned to such term in the Resolution;

"Bond Reserve Fund" shall mean the fund so designated that has been established and created by the Improvement Authority pursuant to the terms of the Resolution;

"Bond Reserve Requirement" shall have the meaning that is assigned to such term in the Resolution;

"Bond Service Fund" shall have the meaning that is assigned to such term in the Resolution;

"Business Day" means any Monday, Tuesday, Wednesday, Thursday or Friday which is not a day on which either state or federally chartered banking institutions in the City of New York or the State of New Jersey are authorized or obligated by law or executive order to close;

"Construction Fund" shall mean the fund so designated that has been established and created by the Authority pursuant to the terms of the Resolution;

"Cost" or "Costs of the Facilities" shall have the meaning that is assigned to such term in the Resolution;

"County" shall mean the County of Hudson, New Jersey;

"Credit Facility" shall have the meaning that is assigned to such term in the Resolution;

"Debt Service" for any period shall mean, as of any date of calculation and with respect to all Series of Bonds an amount that is equal to the sum of amounts accruing during such period on the Bonds pursuant to Section 5.1 hereof;

"Event of Default" shall mean the "defaults" or "events of default" set forth in Section 8.1 of this Agreement;

"Facilities" shall mean the new Career Technical High School facilities, that portion of the land on which the Facilities are located, furnishings and equipment, together with all necessary and incidental equipment, apparatus, structures and appurtenances and including all real property and rights-of-way, easements and other interests and all personal property that is necessary or that is desirable for the efficient operation of the Schools of Technology, and the proper maintenance, capital improvement, as necessary, and continued operation of the Schools of Technology, all as located on Block 5, Lot 2.01;

"Facilities Lease Term" shall mean the duration of the leasehold estate created with respect to the Facilities, as specified in Section 3.2 hereof;

"Initial Bonds" shall mean the initial series of Bonds issued to fund the Project authorized under the Resolution;

"Liquidity Facility" shall have the meaning that is assigned to such term in the Resolution;

"Outstanding" shall have the same meaning that is assigned to such term in the Resolution (to the extent relating to Bonds);

"Permitted Encumbrances" shall mean and include:

(a) undetermined liens and charges that are incidental to construction or maintenance, now or hereafter filed on record that are being contested in good faith and that have not proceeded to judgment;

(b) minor defects and irregularities in the title to the Facilities that do not in the aggregate materially impair the use of the Facilities for the purposes for which it is intended;

(c) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, that do not materially impair the use of such property for the purposes for which it is or may reasonably be expected to be held;

(d) any assignment, sublease or encumbrance permitted by Section 7.7 hereof;

(e) such other defects as may appear in a title report and subject to the approval of an Authorized Authority Representative;

(f) the Resolution; and

(g) Lease 1, Lease 2, Lease 3 and Lease 4 described in the Preamble hereto.

"Plans and Specifications" shall mean the plans and specifications for any Facilities heretofore prepared by or on behalf of the County, and approved by the Authority;

"Premises" shall mean Block 5, Lot 2.01 on the official tax map of the Town of Secaucus in the County of Hudson;

"Project" shall mean the new career technology high school described in the Preamble hereto;

"Rentals" shall mean the sum of Basic Rent and Additional Rent, set forth in Section 5.1 hereof, that is payable by the County in connection with the lease of the Facilities;

"Rental Payment Date" shall mean any day that is a Business Day that is at least ten (10) days prior to the next principal or interest payment date shown in Exhibit A attached hereto;

"Resolution" shall mean the resolution of the Improvement Authority, entitled, "Resolution Authorizing the Issuance of Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project) of the Hudson County Improvement Authority" adopted March 23, 2016 as amended or supplemented from time to time; "Series" shall have the meaning that is assigned to such term in the Resolution;

"Trustee" shall mean the bank, trust company, national banking association or other banking institution that shall be appointed by the Improvement Authority pursuant to the terms of the Resolution, or any successor thereof.

ARTICLE II

LEASEHOLD INTEREST IN PREMISES

SECTION 2.1. Leasehold Interests in Premises. The County has leased the Premises to the HCST for nominal consideration for an initial period of 75 years, the HCST has subleased the Premises to the Authority, and the Authority hereby agrees to take and lease the Premises from the HCST, to the County upon the terms and conditions that are set forth in this Agreement for the purpose of acquiring, constructing, equipping, financing, furnishing, improving or providing the Facilities.

SECTION 2.2. Payment of Rent. The Authority has leased the Premises from the HCST for nominal consideration.

SECTION 2.3. Title to Leased Premises. The County represents as of the date hereof and as of the date of the closing for the Initial Bonds that the County has good and marketable title to the Premises, free and clear of all liens, charges and encumbrances, except for Permitted Encumbrances. Such title shall be evidenced by a title search conducted by or on behalf of the County, or such other evidence satisfactory to the Authority, and delivered to the Authority on or prior to the execution of this Agreement. The County will take any and all action required to defend title in the event that such title is challenged, and, where necessary, will take all action necessary or required to obtain good and marketable title to the Premises, free and clear of all liens, charges and encumbrances, except for Permitted Encumbrances.

ARTICLE III

PROVISIONS RELATING TO LEASE OF FACILITIES

SECTION 3.1. Lease of Facilities. The Authority hereby leases the Premises and Facilities to the County. The County hereby agrees to take and lease the Premises and Facilities from the Authority.

SECTION 3.2. Duration of Lease Term. The Lease Term under this Agreement shall commence on the date of the issuance of the Initial Bonds and shall terminate when all Bonds and Bonds issued to refund them are no longer deemed Outstanding, unless the Agreement is sooner terminated in accordance with its terms for a reason other than the default of the County of any obligation hereunder, in which case, the Facilities Lease Term shall terminate on the date the Agreement is so terminated.

ARTICLE IV

ACQUISITION AND CONSTRUCTION OF FACILITIES AND ISSUANCE OF BONDS

SECTION 4.1. Acquisition and Construction of Facilities. The County agrees that it will cooperate with the Authority to enable the Authority to prepare or have prepared any documents, agreements, approvals, Plans and Specifications, if necessary, for the acquisition, construction, renovation, furnishing, equipping and installation of the Facilities. The County agrees that it will cooperate with the Authority or its agents to enable the Authority or its agents to cause such acquisition, construction, renovation, furnishing, equipping and installation to be completed as soon as may be practicable, but if for any reasons such acquisition, construction, renovation, furnishing, equipping and installation is delayed there shall be no diminution in or postponement of the amounts that are due and payable by the County under the terms of this Agreement.

SECTION 4.2. Contracts for Construction of Facilities. The Authority shall be responsible for the letting of contracts for the design, acquisition, construction, renovation, furnishing, equipping and installation of the Facilities, supervision of construction, acceptance of the completed Facilities or parts thereof, and all other matters that are incidental to performance of the duties and powers expressly granted to the Authority herein and in Lease 2 in connection with the acquisition, construction, renovation, furnishing, equipping and installation of the Facilities.

Contracts in connection with the acquisition, construction, renovation, furnishing, equipping and installation of the Facilities shall be let in accordance the design build process permitted under the 2015 Vocational School Construction and Financing Act and other applicable law.

All construction contracts shall provide that, upon a termination of this Agreement by reason of the occurrence of an Event of Default that the construction contact may be terminated and that the contractor shall be entitled to payment only for the work done prior to such termination and notification thereof to such contractor. All such contracts shall be in the same general form and content as construction contracts that are ordinarily let by the Authority in its other projects. The Authority agrees that it shall require each contractor engaged in the acquisition, construction, renovation, furnishing, equipping and installation of the Facilities to provide a performance bond, in an amount that is at least equal to its contract and also a payment bond, in an amount that is not less than 100% of its contract price, as security for the payment of all persons performing labor or furnishing materials in connection with such contract. In lieu of furnishing such bonds, the contractor may secure the faithful performance of its contract and secure the payment of all persons performing labor or furnishing materials in connection with such contract by providing an irrevocable letter of credit from a reputable lending institution that is satisfactory to the Authority in an amount that is equal to 100% of its contract price.

The Authority makes no warranties or representations and accepts no liabilities or responsibilities with respect to the adequacy, sufficiency or suitability of or defects in or with respect to the acquisition, construction, renovation, furnishing, equipping or installation of the Facilities, except as shall be covered under the terms of any performance bonds or insurance policies that are provided by the contractor for the benefit of the Authority, and in such case, only to the extent of the recovery thereunder.

SECTION 4.3. Issuance of Bonds. In order to provide funds for payment of the Costs of the Facilities, the Authority has sold the Initial Bonds. The proceeds derived from the sale of the Initial Bonds shall be applied to the payment of costs of the Facilities, including the costs of issuance of the Initial Bonds associated therewith.

SECTION 4.4. Completion Date. The completion date of the acquisition, construction, renovation, furnishing, equipping and installation of the Facilities shall be evidenced to the Trustee and the County by (a) a certificate of an Authorized Authority Representative, countersigned by an authorized HCST representative, stating that such acquisition, construction, renovation, furnishing, equipping and installation has been completed, substantially in accordance with the Plans and Specifications and (b) a certificate of an Authorized Authority Representative stating that such acquisition, construction, renovation, furnishing, equipping and installation has been completed, substantially in accordance with the Plans and Specifications, and that payment of the Cost or adequate provision therefor, has been made. Notwithstanding the foregoing, the certificate referred to in clause (a) and (b) hereof shall state that it is given without prejudice to any rights against third parties that exist as of the date of such certificate or that may subsequently come into being. If, upon the completion of the acquisition, construction, renovation, furnishing, equipping and installation of the Facilities, there shall be any surplus funds remaining that are not required to provide for the payment of the Costs of the Facilities, or otherwise required to be deposited in the several funds created under the Bond Resolution, such funds may be applied to any capital project designated by the County and approved by the Improvement Authority for which proceeds of the Bonds may lawfully be expended or may be applied to paying the of the principal component of Basic Rent. In no event shall such surplus funds be applied in a manner that causes the Bonds to become "arbitrage bonds" under section 148 of the Internal Revenue Code of 1986 as amended from time to time and the Treasury regulations in effect thereunder.

SECTION 4.5. Default in Contractors' Performance. In the event of a default of any contractor or subcontractor under the terms of any contract made in connection with the Facilities, the Authority will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the Authority against the contractor or subcontractor in default and against each surety for the performance of such contractor. The Authority agrees to advise the HCST and the County, in writing, of the steps it intends to take in connection with any such default. Any amounts that are recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid to the Authority, and applied to payment of the Costs of the Facilities, in accordance with the terms of the General Bond Resolution.

SECTION 4.6. Additional Bonds. Upon written request from the HCST and the County to the Authority to issue Additional Bonds to (a) raise funds to complete any work for which Initial Bonds were issued, or (b) refund any Bonds issued to finance the acquisition of the Facilities, the Improvement Authority shall use its best efforts to issue such Additional Bonds for such purpose. Notwithstanding anything to the contrary, the failure of the Improvement Authority to issue Additional Bonds shall not release the County from any of its obligations under the terms of this Agreement.

ARTICLE V

RENTALS AND OTHER PAYMENTS

SECTION 5.1. Payment of Rentals in Connection With Lease of Facilities. (a) (i) Throughout the Facilities Lease Term, the County shall pay to the Authority, in immediately available funds, on each Rental Payment Date, such date being at least ten (10) days prior to the Authority's interest payment date on the Bonds, Basic Rent for the Facilities, as set forth in Exhibit A hereto as it may be adjusted downward by the Authority in the event the Authority issues refunding bonds to refund the Initial Bonds to produce interest cost savings. Such refunding bonds may only be issued if the maturity does not extend beyond the maturity of the Initial Bonds and debt service savings result. The Authority may, but is not required to issue such refunding bonds in accordance with the Resolution to pass the savings along to the County. In the event such a refunding occurs, the Authority will provide the County with a new Exhibit A to attach hereto, which shall be acknowledged by the Executive Director of the Authority and the Chief Financial Officer of the County, and shall thereafter become effective with no further action required by the County or Authority.

(ii) The County shall have the option to make prepayments from time to time in part payment of Basic Rent. The application of such prepayments shall be specified in writing by a certificate duly executed by an Authorized County Representative at the time of making such prepayment and such certificate shall be delivered to the Authority. The Authorized Authority Representative shall approve the application of such prepayment by the County and deliver the County's certificate to the Trustee. If the Authorized Authority Representative does not approve of the proposed application of such prepayment, the Authorized Authority Representative shall specify the application of such prepayments in writing and deliver a certificate to the Trustee. The Trustee shall apply such prepayments to the payment of the principal of, redemption premium, if any, and interest on the Bonds, if such prepayment is to be used for such purpose, in accordance with the provisions of the Resolution.

(iii) In the event that any such partial prepayment is applied by the Trustee to the purchase or redemption of Bonds pursuant to the provisions of the Resolution, the County shall be entitled to a credit for the principal amount (together with the amount of interest due on the Bonds purchased) of such Bonds so purchased, redeemed or cancelled against the amount or amounts that are due and payable under the provisions of (a)(i) of this Section 5.1, to the extent that such principal amount of Bonds is similarly credited pursuant to the Resolution against payments that are required to be made by the Authority.

(b) The County shall pay to the Authority from time to time during the Facilities Lease Term, Additional Rent for the Facilities equal to any other amounts due and owing to the Authority, the Trustee or the provider of a Credit Facility or Liquidity Facility pursuant to the Resolution and reasonable and documented administrative expenses of the Authority incurred in the administration of this Agreement, including, but not limited to the following:

(i) All fees, charges and expenses, including agent and counsel fees, of the Trustee and any fiduciary incurred under the Resolution, as may be supplemented and amended from time to time, as and when the same become due;

(ii) All costs incidental to the payment of the principal of, redemption premium, if any, and interest with respect to the Bonds as the same become due and payable, including all costs and expenses in connection with the call, prepayment and payment of such Bonds;

(iii) All expenses incurred in connection with the enforcement of any rights under this Agreement or the Resolution, as may be supplemented and amended from time to time, by the Authority or the Trustee;

(iv) An initial fee payable to the Improvement Authority on the date of the issuance of each series of Bonds in the amount of one-eighth (1/8) of one percent (1%) of the principal amount of Outstanding Bonds;

(v) Annually during the Facilities Lease Term, commencing on the date of issuance of the first series of Bonds, and annually on each Rental Payment Date, as an Authority administration fee, an amount equal to one-eighth (1/8) of one percent (1%) of the amount of the principal amount of Outstanding Bonds (in accordance with the schedule contained in Exhibit A hereto);

(vi) Any cost to or liability of any Fiduciary resulting from claims arising hereunder or under the Resolution or in connection with the transactions contemplated herein or arising from the conduct or management of, or from anything done on, the Facilities, during the Facilities Lease Term, and from any condition of the Facilities caused by the County, any default by the County hereunder, and any negligence by the County, its agents, employees, subcontractors or licensees;

(vii) Notwithstanding that the Bond Reserve Requirement in connection with the issuance of the Initial Bonds is $0, if at any time amounts are required to be withdrawn from the Bond Reserve Fund such that the balance in Bond Reserve Fund is insufficient to meet the Bond Reserve Requirement, such sum to be paid into the Bond Reserve Fund as shall be necessary to make such balance in the Bond Reserve Fund sufficient to meet the Bond Reserve Requirement;

(viii) If at any time amounts are required to be rebated to the United States of America pursuant to Section 148(f) of the Code and the balance in the Rebate Fund is insufficient to make such payment, such sum to be paid into the Rebate Fund as shall be necessary to make such balance in the Rebate Fund sufficient to make the then required rebate payment;

(ix) All fees, charges and expenses of any professionals or consultants performing services on behalf of the Authority in connection with the administration of, or

resulting from the Authority's entering into, this Agreement, including, but not limited to, any auditing, legal, engineering, accounting, insurance, fiduciary and any other services incurred in connection herewith; and

(x) All other payments of whatever nature that the County has agreed to pay or assume under the provisions of this Agreement, including, but not limited to, indemnification under Section 5.2 hereof.

Any Rentals that are required to be paid pursuant to the terms of this Section 5.1 that are not paid by or on behalf of the County on or before the due date thereof shall, from and after said due date, bear interest (to the extent permitted by law) at the highest rate of interest borne by any Outstanding Bonds of the Authority until paid, time being of the essence with respect to this obligation.

SECTION 5.2. Indemnification of Improvement Authority and Trustee.

(a) Both during the Facilities Lease Term and thereafter, the County and/or the HCST by means of Lease 1, 2 and 4 (as used in this Section 5.2 "County" refers to either the County or the HCST) shall indemnify and hold the Authority and the Trustee harmless against, and the County shall pay any and all, liability, loss, cost, damage, claims, judgments or expenses, of any and all kinds or nature and however arising, imposed by law, that the Authority or the Trustee may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death, or damage to property, whether real, personal or both, or upon or arising out of contracts entered into by the County or the Authority or arising out of the Authority's ownership of and/or leasehold interest in the Facilities or the leasing thereof to the County, or out of the acquisition, construction, renovation, furnishing, equipping and installation or maintenance of the Facilities pursuant to the terms of this Agreement. It is mutually agreed by the County and the Authority that after commencement of the Facilities Lease Term, as provided in Section 3.2 hereof, neither the Authority, the Trustee nor their respective members, commissioners, officers, agents, servants or employees shall be liable in any event for any action performed under this Agreement and that the County shall save the Authority and the Trustee harmless from any claim or suit of whatever nature.

(b) The County, at its own cost and expense, shall defend, or shall cause HCST to defend, any and all such claims, suits and actions that may be brought or asserted against the Authority or the Trustee, their respective members, commissioners, officers, agents, servants or employees; but this provision shall not be deemed to relieve any insurance company that has issued a policy of insurance of its obligation to defend the County, the Authority, the Trustee and any other insured party who is named in such policy of insurance in connection with claims, suits or actions covered by such policy. Any one or more of the Authority or the Trustee, their respective members, commissioners, officers, agents, servants or employees, may employ separate counsel at the County's expense in any such action and participate in the defense thereof.

(c) The Authority hereby agrees as follows:

(i) The Authority and/or the Trustee shall give the Authorized County Representatives prompt notice, in writing, of the filing of each such claim and the institution of each such suit or action with respect to the Facilities;

(ii) The Authority and/or the Trustee shall not, without the prior written consent of the County, adjust, settle or compromise any such claim, suit or action with respect to the Facilities; and

(iii) The Authority and/or the Trustee shall permit the County to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action.

SECTION 5.3. Nature of Obligations of the County. The obligation of the County to pay all Rentals and to pay all other amounts that are provided for in this Agreement and to perform its obligations under this Agreement shall be absolute and unconditional and if not paid from other sources, such Rentals and other amounts payable hereunder shall be payable from tax revenue collected pursuant to the unlimited *ad valorem* taxing power of the County. Such Rentals and other amounts shall be payable without any rights of set-off, recoupment or counterclaim it might have against the Improvement Authority, the Trustee or any other person and whether or not the Facilities are used by the County or available for use by the County, and, without limiting the generality of the foregoing, notwithstanding any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure to possess good and marketable title in satisfaction of Section 2.3 of this Agreement, or frustration of purpose. If the County is not in default under the terms of this Agreement and if the County shall have paid all amounts that are required to be paid under the terms of this Agreement and shall have performed all of its obligations under this Agreement as provided in the preceding sentence and if the County continues to pay and perform it shall not be precluded from bringing any action it may otherwise have against the Improvement Authority.

The County will not terminate this Agreement (other than such termination as is provided for hereunder) for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title, or frustration of purpose, or any damage to or destruction of the Facilities, or the taking by eminent domain of title to or the right of temporary use of all or any part of the Facilities, or the failure of the Improvement Authority to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

The County agrees that its obligations hereunder to repay the Rentals in accordance with the terms hereof are absolute and unconditional.

SECTION 5.4. Inability of Authority to Sell Bonds. If by reason of the judgment, decree or order of any court of competent jurisdiction, or of any litigation that is pending or threatened, or of any fact or circumstances, other than neglect or refusal of the Improvement Authority to perform its obligations under the terms of this Agreement, the

Improvement Authority should be rendered unable to issue and sell Bonds to pay when due any Bond, the Improvement Authority shall provide a written notice to the Authorized County Representative of such inability at least sixty (60) days prior to the earliest date on which such Bonds shall become due. Upon receipt of such written notice, the County shall pay to the Improvement Authority on a date not later than the earliest date on which such Bonds become due, as a prepayment of Rentals, an amount that is equal to the difference between (i) the amount of principal, redemption premium, if any, and interest accrued and to accrue on such Bonds on their maturity date or earlier redemption date, whichever is earlier, and any expenses in connection with such payment in full, and (ii) the amount of proceeds derived from the sale of such Outstanding Bonds that are available for the payment of such principal, redemption premium, if any, and interest and that are held by the Trustee on behalf of the Improvement Authority. In such event, the Improvement Authority shall hold and use the moneys so paid by or on behalf of the County for the sole purpose of paying the principal of, redemption premium, if any, and interest on such Outstanding Bonds, when same become due and payable, all in accordance with the terms of the Resolution.

SECTION 5.5. Nature of Obligations of the Improvement Authority. The cost and expense of the performance by the Improvement Authority of any of its obligations under the terms of this Agreement shall be limited to the availability of the proceeds of Bonds that have been issued for such purposes or from other funds that are received by the Improvement Authority under the terms of this Agreement or from insurance policies held by or for the benefit of the Improvement Authority and that are available for such purposes.

SECTION 5.6. Assignment of Payments by Improvement Authority. It is understood that all payments that are received by the Improvement Authority from the County under the terms of this Agreement and all rights of the Improvement Authority under this Agreement (except payments and/or rights that are made pursuant to Section 5.1(b)(iii) and (iv) and Section 5.2 hereof) are hereby assigned by the Improvement Authority to the Trustee pursuant to the terms of the Resolution. Such assignment of payments by the Improvement Authority to the Trustee shall impose no duties or responsibilities on the Trustee with respect to the obligations of the Improvement Authority under the Resolution or this Agreement.

The Improvement Authority agrees to notify the County by the execution of an appropriate instrument making such assignment to the Trustee, and the County agrees that, upon receipt of such notification, it will pay to the Trustee at its principal corporate trust office all payments that are due and payable by the County to the Improvement Authority pursuant to the terms of this Agreement (except payments that are required to be made pursuant to Section 5.1(b)(iii) and (iv) and Section 5.2 hereof). Except as provided in this Section, the Improvement Authority shall not assign this Agreement or any payments that are required to be made under the terms of this Agreement. Except as provided in Section 8.2 hereof, the Improvement Authority shall not sell or otherwise encumber its interest in the Facilities.

Notwithstanding the above, the Improvement Authority may fund all or a portion of the Cost of the Facilities with funds of the County if proceeds of the Bonds are not available. In that case, the County and the Improvement Authority will enter into an agreement whereby the

County will invest available funds with the Improvement Authority and such investment will be secured by an obligation of the Improvement Authority to pass through all or a portion of payments to be received by the Improvement Authority from the County under the terms of this Agreement. Upon the execution of such agreement, the Improvement Authority will provide written instructions to the County regarding how payments under this Agreement are to be made and the County agrees to follow such instructions.

Under the agreement between the Improvement Authority and the County, the Improvement Authority will have the unconditional right and obligation to repurchase the County's investment when proceeds of the Bonds become available therefor. Upon repurchase, any rights of the County to payments due to or received by the Improvement Authority hereunder shall be terminated and the first two paragraphs of this Section 5.6 shall become effective.

SECTION 5.7. Option to Prepay or Purchase the Facilities.

(a) As long as an Event of Default has not occurred, the County shall have the option to prepay the Rentals on the Facilities or purchase all or a portion of the Facilities from the Authority at any time during the Facilities Lease Term; provided, however, that the Improvement Authority must first obtain an opinion of bond counsel that the exercise of such option will not adversely affect the rights of Bondholders (as such term is defined in the Bond Resolution).

(b) The County may exercise its option to prepay or purchase the Facilities, as provided above, upon sixty (60) days prior written notice to the Improvement Authority and the Trustee. In the event that the County determines to exercise its option to prepay or purchase all or a portion of the Facilities, it shall deposit with the Trustee an amount that, when invested, is equal to the amount that is sufficient to pay the principal and redemption premium of and interest on the Bonds allocable to such payments on the first call date as provided by the Resolution, as determined by a verification report and an opinion of Bond Counsel that such Bonds will, upon deposit of such payments, be defeased (the "Purchase Option Price"). Any prepayment or purchase of all or a portion of the Facilities by the County pursuant to the terms of this Section 5.7 shall be made on a date set forth in the notice set forth above, which date shall be at least sixty (60) days following delivery to the County of such notice.

(c) Upon the exercise by the County of its option to prepay or purchase all or a portion of the Facilities (as evidenced by the deposit with the Trustee of the amount required by Subsection (b) above), neither the County nor the Improvement Authority shall have any further obligation under the terms of this Agreement. Upon the exercise of the County's option to prepay or purchase all or a portion of the Facilities, the Improvement Authority and the County shall take all necessary actions to authorize, execute and deliver any and all documents that are required to transfer the Improvement Authority's interest in the Facilities to the County, if necessary.

SECTION 5.8. Transfer of Interest in Facilities. In the event that the County has made payment of all Rentals, as provided in this Article V, throughout the Facilities Lease

Term, and no Event of Default shall have occurred and all fees and expenses due under this Agreement have been paid, title to the Facilities shall be transferred to the County. Such transfer shall occur upon receipt by the Improvement Authority of notice from the Trustee of receipt by the Trustee of the final Rental payment. In such event, this Agreement shall terminate and all of the rights, duties and obligations of the parties hereto shall cease as of the date of such notice.

ARTICLE VI

OPERATION AND MAINTENANCE; INSURANCE; DAMAGE; DESTRUCTION AND CONDEMNATION

SECTION 6.1. Operation, Maintenance and Repair of Facilities. During the Facilities Lease Term, the County and/or the HCST by means of Lease 1, Lease 2 or Lease 4 shall be responsible for, and shall pay all costs of (a) operating the Facilities, (b) maintaining the same in good condition, and (c) making all necessary repairs and replacements, interior and exterior, structural and non-structural, as applicable.

SECTION 6.2. Utilities. The County will pay or cause to be paid all charges for water, electricity, light, heat or power, sewage, telephone and other utility service that is, rendered or supplied upon or in connection with the Facilities.

SECTION 6.3. Additions, Enlargements and Improvements. The County and/or HCST shall have the right at any time and from time to time during the Facilities Lease Term, at its own cost and expense, to make such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of the Facilities, as the County shall deem to be necessary or desirable in connection with the use of the Facilities; provided however, that prior to making any such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of the Facilities, the County shall obtain all necessary permits and approvals relating to same. All such additions, enlargements, improvements, expansions, repairs, reconstruction and restorations when completed shall be of such character as not to reduce or otherwise adversely affect the value of the Facilities or the rental value thereof. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid by the County and discharged so that the Facilities shall at all times be free of liens for labor and materials supplied thereto other than Permitted Encumbrances. All additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of the Facilities shall be and become a part of the Facilities and shall be the property of the Improvement Authority.

In the event that the County shall so request, the Improvement Authority may, subject to the terms and provisions of the Resolution, make such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations as are requested and may issue Additional Bonds to pay the Cost thereof. The Improvement Authority covenants that it will take all reasonable steps to cooperate with the County in regard to any such additions, enlargements, improvements, repairs or expansions of the Facilities.

SECTION 6.4. Additional Rights of County. The Improvement Authority agrees that the County and/or the HCST shall have the right, option and privilege of erecting, installing and maintaining, at their own cost and expense, such equipment in or upon the Facilities as may, in the County's ort HCST's judgment, be necessary for its purposes. It is further understood and agreed that anything erected or installed under the provisions of this Section shall be and shall remain the personal property of the County or the HCST and shall not become part of the

Facilities, and may be removed, altered or otherwise changed, at or prior to the termination of this Agreement provided that the Facilities are returned to its original state.

SECTION 6.5. Insurance. (1) The County shall require HCST to provide insurance during the Facilities Lease Term. The County agrees to cause HCST to provide comprehensive general liability coverage that will pay, on behalf of the Improvement Authority, all sums that the Improvement Authority shall become legally obligated to pay as damages because of bodily injury or death and property damage caused by any occurrence at or in connection with the use of the Facilities. The Improvement Authority shall be the named the insured or additional insured. The Trustee, the Improvement Authority, and the County shall each be additional named insureds.

Such insurance shall afford protection to the Improvement Authority, in the minimum amount of $1,000,000 liability for any one person and $3,000,000 liability for any one occurrence for personal injury, and $3,000,000 liability for any one occurrence for property damage and personal injury, and such insurance shall protect the Improvement Authority against any and all penalties, costs, including attorneys' fees, claims, demands, and causes of action due directly or indirectly to the use, disuse, misuse or interest in the Facilities.

(2) Upon the availability of any portion of the Facilities for use by HCST and thereafter during the Facilities Lease Term, the County shall cause HCST to obtain and maintain with responsible insurers authorized to do business in the State of New Jersey, or in such other manner as may be required or permitted by law, fire, extended coverage, earthquake and flood insurance on the Facilities (including, without limiting the generality of the foregoing, if available on reasonable terms from the United States of America or any agency thereof or corporation organized thereby, war risk coverage), in an amount that is at least equal to the current full insurable replacement value thereof (exclusive of excavations and foundations but inclusive of debris removal costs), as determined by the County and adjusted, if required, annually with a deductible amount of not more than $100,000; provided however, that earthquake insurance and flood insurance shall be required only if same are available on reasonable terms. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without obtaining the prior written consent thereto of the Improvement Authority. All policies evidencing any insurance that is required by the terms of this subparagraph (2) shall be carried in the name of the County, the Improvement Authority and the Trustee, as their respective interests may appear, and shall contain standard clauses that provide for the net proceeds of such insurance resulting from claims (per casualty) thereunder that are less than $250,000 for loss or damage covered thereby to be made payable directly to the County and net proceeds from such claims equal to or in excess of $250,000 (per casualty) to be made payable directly to the Trustee.

(3) During the Facilities Lease Term, the County shall obtain and maintain, or cause to be obtained and maintained, with responsible insurers authorized to do business in the State of New Jersey or in such other manner as may be required or permitted by law, use and occupancy insurance, to the extent available, in an amount and that shall be payable at such times that will

provide sufficient funds for the payment of Debt Service on the Bonds when due. The proceeds of such insurance shall be paid to the Trustee, in lieu of and in amounts equal to, Rentals that are due pursuant to the provisions of Section 5.1 hereof during such time or time as the use of the Facilities may be totally or partially interrupted as a result of damage or destruction resulting from perils insured against pursuant to subsection (2) of this Section. All such insurance shall be carried for the benefit of the Improvement Authority and each policy therefor, or contract thereof, shall contain a loss payable clause providing for the proceeds thereof to be payable to the Trustee, and the Rentals that are due from the County with respect to the Facilities pursuant to the provisions of Section 5.1(a) shall be reduced by the amount of the payments made to the Trustee from the proceeds of insurance carried pursuant to the foregoing provisions.

(4) During the Facilities Lease Term, the County shall cause HCST to obtain and maintain with responsible insurers authorized to do business in the State of New Jersey, or in such other manner as may be required or permitted by law, any other insurance that has been agreed to by the County and the Improvement Authority.

(5) All insurance policies that are obtained by or on behalf of the County or the Improvement Authority under the terms of this Agreement shall be open to inspection by the Improvement Authority, the County and the Trustee at all reasonable times. A complete description of all such policies shall be furnished on an annual basis by, or on behalf of, the County to the Improvement Authority and the Trustee, and vice versa and if any change shall be made in any such insurance, a description and notice of such change shall be furnished by, or on behalf of, the County to the Improvement Authority and the Trustee at the time of such change. If a loss deductible for insured property perils or liability is selected and incorporated into the County's property or liability coverage, it shall be done with approval of the Improvement Authority. In such case, the County shall be responsible for the amount of the deductible that the Improvement Authority shall incur from each loss for insured perils or liability.

(6) Notwithstanding any of the foregoing provisions of this Section, the County shall not be required to obtain or maintain any class or type of insurance required by this Agreement for which it is authorized and able to obtain and maintain an appropriate substitute arrangement under which the Improvement Authority and the Trustee would be fully protected from general public liability arising from its leasehold, ownership or other interest in the Facilities or under which assurance will be provided that funds will be available to repair, restore, rebuild or replace the Facilities upon damage, loss or destruction of the Facilities, or under which moneys would be available to the County from a lawful source to pay the Rentals and other payments that are required to be made under the terms of this Agreement in the event of the damage, loss or destruction of the Facilities. No such arrangement or arrangements shall be substituted by the County for the insurance required to be obtained and maintained pursuant to the foregoing provisions of this Section, unless and until each such arrangement shall have been approved, in writing, by the Improvement Authority.

(7) In lieu of separate policies, the County may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event

it shall deposit with the Improvement Authority and the Trustee a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Facilities.

(8) In the event of failure of the County to pay any premium or other charge with respect to insurance that it is obligated to procure and maintain pursuant to the terms of this Section 6.5, the Improvement Authority may pay such premium and secure and maintain such policy at the cost and expense of the County.

(9) The County agrees to hold the Improvement Authority harmless for any loss to property resulting from any act of negligence that results in a loss or losses that is or that are insured under the Improvement Authority's foregoing insurance coverage.

SECTION 6.6. Damage or Destruction. The County agrees to immediately notify the Improvement Authority and the Trustee in the case of damage to or destruction of the Facilities or any portion thereof in an amount exceeding $250,000 resulting from fire or other casualty. In the event that the amount of any such damage or destruction does not exceed $250,000, the County will forthwith repair, reconstruct and restore the Facilities to substantially the same condition as existed prior to the event causing such damage or destruction and the County will apply the net proceeds of any insurance relating to such damage received by the County to the payment or reimbursement of the costs of such repair, reconstruction and restoration.

In the event that the Facilities, or any portion thereof, is damaged or destroyed by fire or other casualty and the damage or destruction is estimated to exceed $250,000, then the County shall, or shall cause HCST to, within ninety (90) days after such damage or destruction, elect one of the following two options by written notice of such election to the Improvement Authority and the Trustee:

(a) Option A - Repair and Restoration. The County, or HCST if so directed by the County, may elect to repair, reconstruct and restore the Facilities. In such event the County or HCST, as applicable, shall proceed forthwith to repair, reconstruct and restore the Facilities to substantially the same condition as existed prior to the event causing such damage or destruction. As long as the County is not in default hereunder, any net proceeds of insurance relating to such damage or destruction received by the Trustee shall be deposited and used as directed by or on behalf of the County, or HCST as directed by the County, together with the proceeds derived from the sale of any Additional Bonds issued by the Improvement Authority to finance the Cost of such repair, reconstruction and restoration in the same manner and upon the same conditions as set forth in the Resolution for the payment of the Cost of the Facilities. Any proceeds of insurance remaining on hand following the repair and restoration of the Facilities shall be applied as a prepayment of rent in accordance with Option B of subparagraph (b) of this Section 6.6.

It is further understood and agreed that in the event that the County, or HCST as directed by the County, shall elect this Option A, the County, or HCST, as applicable, shall complete the repair, reconstruction and restoration of the Facilities, whether or not the net proceeds of

insurance that are received by the County or HCST as applicable are sufficient to pay for the same.

(b) Option B - Prepayment of Rent. Alternatively, the County, or HCST if directed by the County, may elect to have the net proceeds of insurance payable as a result of such damage or destruction applied to the prepayment of Rentals hereunder. In such event the County shall or HCST, as applicable, in its notice of election to the Improvement Authority and the Trustee, direct that such net proceeds, when and as received, be deposited in the Bond Service Fund (if such prepayment will be applied to payment of the principal of, redemption premium, if any, or interest on the Bonds) and applied as a credit against future Rentals that are required to be made by, or on behalf of, the County.

SECTION 6.7. Condemnation. This Agreement and the interest of the County in the Facilities, or any portion thereof, that is condemned or taken for any public or quasi-public use shall be terminated when title thereto vests in the party condemning or taking the same (hereinafter referred to as the "termination date"). The County hereby irrevocably assigns to the Improvement Authority all right, title and interest of the County in and to any net proceeds of any award, compensation or damages (hereinafter referred to as an "award"), payable in connection with any such condemnation or taking of the Facilities, or any portion thereof, during the Facilities Lease Term. Such net proceeds shall be initially paid to the Trustee for disbursement or use as hereinafter provided. In no event shall the County exercise or encourage the exercise of any powers of eminent domain to condemn the Facilities.

In the event of any condemnation or taking, the County shall, or shall cause HCST to, within ninety (90) days after the termination date thereof, elect one of the following two options by written notice of such election to the Improvement Authority and the Trustee:

(a) Option A - Repairs and Improvements. The County, or HCST if so directed by the County, may elect to use the net proceeds of the award made in connection with such condemnation or taking for repairs and improvements to the Facilities. In such event, as long as the County is not in default hereunder, any such net proceeds received by the Trustee shall be deposited in the Construction Fund and shall be applied by the Trustee, together with the proceeds derived from the sale of any Additional Bonds issued by the Improvement Authority to finance the Cost of such repairs and improvements, to complete the payment of the Cost of such repairs and improvements, in the same manner and upon the same conditions set forth in the Resolution for the payment of the Cost of the Facilities. Any proceeds of an award remaining on hand following completion of the repairs and improvements provided herein shall be applied as a prepayment of rent in accordance with option B of subparagraph (b) of this Section 6.7.

It is further understood and agreed that in the event that the County, or HCST as directed by the County, shall elect this Option A, the County shall complete the repair, reconstruction and restoration of the Facilities, whether or not the net proceeds of the condemnation award that are received by the County are sufficient to pay for same.

(b) Option B - Prepayment of Rent. The County, or HCST if so directed by the County, may elect to have the net proceeds payable as a result of condemnation applied to the prepayment of Rentals hereunder. In such event the County or HCST, as applicable, shall, in its notice of election to the Improvement Authority and the Trustee, direct that such net proceeds, when and as received, be deposited in the Bond Service Fund (if such prepayment is to be applied to payment of the principal of, redemption premium, if any, and interest on the Bonds) and applied as a credit against future Rentals that are required to be made by or on behalf of the County.

The Improvement Authority shall cooperate fully with the County and/or HCST in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Facilities or any part thereof and will, to the extent it may lawfully do so, permit the County to litigate in any such proceeding in the name and behalf of the Improvement Authority. In no event will the Improvement Authority voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceedings with respect to the Facilities or any part thereof without the prior written consent of the County.

SECTION 6.8. Net Lease. This Agreement shall be deemed to be and is construed to be a "net lease", and the County shall pay absolutely net during the Facilities Lease Term, the Rentals and all other payments that are required to be made under the terms of this Agreement, free of all deductions, and without abatement, diminution and setoff.

ARTICLE VII

SPECIAL COVENANTS

SECTION 7.1. County's Right to Possession. Except as otherwise provided herein, the County or the HCST shall be entitled to sole possession and use of the Facilities during the Facilities Lease Term, subject to the terms hereof applicable to the rights of the Improvement Authority.

SECTION 7.2. Quiet Enjoyment. The Improvement Authority covenants and agrees with the County that upon the County's payment of the Rentals and the other payments that are required to be made under the terms of this Agreement and observing and performing all the terms, covenants, and conditions to be observed and performed by the County, the County and the HCST may peaceably and quietly have, hold and enjoy the Facilities.

SECTION 7.3. Compliance with Laws and Regulations. The County will, at its own cost and expense, promptly comply with all laws, rules, regulations and other governmental requirements, whether or not the same require structural repairs or alterations that may be applicable to the County and the Facilities or the use or manner of use of the Facilities. The County will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Facilities.

SECTION 7.4. Covenant Against Waste. The County covenants not to do or suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, the Facilities, and shall require that HCST covenant not to do or suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, the Facilities.

SECTION 7.5. Right of Inspection. The County covenants and agrees to permit the Improvement Authority and the authorized agents and representatives of the Improvement Authority to enter the Facilities at all times during usual business hours for the purpose of inspecting the same.

SECTION 7.6. Condition of Premises. Upon the availability of any part of the Facilities for use by the County or HCST, the County or HCST shall become familiar with the physical condition of the Facilities or relevant part thereof. The Improvement Authority makes no representations whatsoever in connection with the condition of the Facilities, and the Improvement Authority shall not be liable for any defects therein.

SECTION 7.7. Assignment and Sale by County. The County will not sell, sublease or otherwise dispose of or encumber its interest in the Facilities, except as provided in Section 7.8 hereof. This Agreement may be assigned in whole or in part by the County upon the prior written consent of the Improvement Authority (which consent shall not be unreasonably withheld) but no assignment shall relieve the County from satisfying any of its obligations

hereunder, and in the event of any such assignment, the County shall continue to remain primarily liable for the payments specified in this Agreement and for performance and observance of the other agreements provided herein.

The County shall not rent, sublease or otherwise dispose of all or any portion of the Facilities, or permit the HCST or other tenant to so do, if such rental, sublease or disposition would, in the opinion of Bond Counsel to the Improvement Authority, cause the interest on the Bonds to lose their exemption from Federal income taxation.

SECTION 7.8. Subletting. The County may rent or sublease the Facilities, as determined by the Authorized County Representative, with the prior written consent of the Improvement Authority (which consent shall not be unreasonably withheld). Any such sublease shall provide that such sublease shall be subject to termination, at the option of the Improvement Authority, upon the occurrence of an Event of Default under this Agreement. No sublease shall have any adverse effect upon this Agreement or affect or diminish the County's obligations hereunder. It is specifically acknowledged that the Premises and facilities will be sublet to the HCST for the term of this Agreement and, upon the expiration of the term, Lease 2, 3 and 4 will expire and the Facilities will vest in the HCST.

SECTION 7.9. Cooperation by the County. The County through the HCST, by written notice signed by an Authorized HCST Representative, shall keep the Improvement Authority informed of anticipated needs for money to pay the Cost of the Facilities and the County shall, and shall cause the HCST to, give the Improvement Authority its full cooperation and assistance in all matters relating to financing of the acquisition of the Facilities.

The County agrees that, whenever requested by the Improvement Authority, it shall or shall cause the HCST to provide and certify, in form satisfactory to the Improvement Authority, such information concerning the County, the HCST and the Facilities, the operations and finances of the County and such other matters that the Improvement Authority considers to be necessary in order to enable it to complete and publish an official statement or other similar disclosure document relating to the sale of Bonds or to enable the Improvement Authority to make any reports that are required by any law or governmental regulations in connection with any of the Bonds.

The County covenants and will require the HCST to covenant that it will take no action with respect to the Facilities that would cause interest on the Improvement Authority Bonds to be or become includible in Gross Income for Federal income tax purposes.

SECTION 7.10. Consultation with Authorized County Representative. The Improvement Authority agrees to consult with the Authorized County Representative on the terms and timing of proposed sales of all Bonds and the contents of all resolutions, certificates, applications, contracts, official statements, notices of sale, advertisements, and other documents relating to financing of the acquisition of the Facilities.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1. Events of Default. An "event of default" or a "default" shall mean, whenever they are used in this Agreement, any one or more of the following events;

(a) Failure by the County to pay when due the payments that are required to be made under the provisions of Section 5.1(a) hereof or Section 5.4 hereof;

(b) Failure by the County to pay when due any payment that are required to be made under the provisions of this Agreement other than payments required to be made under Section 5.1(a) and Section 5.4 hereof, which failure shall continue for a period of thirty (30) days after written notice thereof has been given to the County, specifying such failure and requesting that it be remedied;

(c) Failure by the County to observe and perform any covenant, condition or agreement that is required to be observed or performed by it other than as referred to in subsections (a) and (b) of this Section 8.1, or failure of HCST to observe and perform any covenant, condition or agreement that is required to be observed or performed by it in Lease 4, which failure shall continue for a period of thirty days (30) days after written notice thereof has been given to the County, and HCST, as applicable, specifying such failure and requesting that it be remedied, unless the Improvement Authority and the provider of a Credit Facility or Liquidity Facility shall agree in writing to an extension of such time prior to its expiration and; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the County, or HCST, as applicable, or on the County's or HCST's behalf, as applicable, within the applicable period and is diligently pursued until the default is remedied; or

(d) The filing by the County for bankruptcy relief concerning its indebtedness under any federal, state or local statutes or entering of an order or decree appointing a receiver for the Facilities, or any part thereof, or of the revenues thereof with the consent or acquiescence of the County or the entering of such order or decree without the acquiescence or consent of the County in the event that such order or decree shall not be vacated, discharged or stayed within ninety (90) days after its entry.

(e) Failure of the County in any fiscal year to budget or appropriate from its general revenues, any payments due hereunder in such fiscal year.

SECTION 8.2. Remedies. Whenever any event of default referred to in Section 8.1 hereof shall have occurred and shall be continuing, any one or more of the following remedial steps may be taken, provided that prior written notice of the default has been given to the County and HCST by the Authority and the default has not been cured:

(a) The Trustee may, at its option and by notice to the County and HCST, accelerate the payment of the remaining principal component of the Rentals identified in Section 5.1 hereof and the amount of the interest component of such Rentals accrued to the date of such notice, all pursuant to the terms of the Resolution.

(b) The Improvement Authority may re-enter and take possession of the Facilities without terminating this Agreement, and may sublease the Facilities for the account of the County, holding the County liable for the difference, if any, in the rent and other amounts that are payable by the sublessee and the Rentals and other amounts that are due and payable by the County under the terms of this Agreement.

(c) The Improvement Authority may terminate the Facilities Lease Term, exclude the County from possession of the Facilities and use its best efforts to lease the Facilities to another party (to the extent possible) for the account of the County, holding the County liable for all Rentals and other amounts that are due and payable under the terms of this Agreement and that are not paid by such other party.

(d) To the extent the same may be permitted by law, the Improvement Authority may terminate the Facilities Lease Term, exclude the County from possession of the Facilities and sell the Facilities (to the extent possible), holding the County liable for payment of all Rentals and other amounts that are due under the terms of this Agreement and that are not paid from the proceeds derived from such sale.

(e) The Improvement Authority, the Trustee or, if the Authority's rights to receive payments under this Lease have been assigned to the provider of a Credit Facility or Liquidity Facility, the provider of such Credit Facility or Liquidity Facility, as applicable, may take whatever action at law or in equity may appear to be necessary or desirable in order to collect the payments that are then due and payable and thereafter to become due and payable, or to enforce performance and observance of any obligation, agreement or covenant of the County or HCST under the terms of this Agreement.

Any amounts that are collected pursuant to action taken under this Section shall be applied in accordance with the provisions of the Resolution, as the case may be, or if the Bonds have been fully paid by the County (or provision for payment thereof has been made in accordance with the terms of the Resolution), such amounts shall be paid to the County.

The lease from the Improvement Authority set forth in Article II of this Agreement shall remain in full force and effect regardless of which of the above remedial steps is taken.

SECTION 8.3. Reinstatement. Notwithstanding any termination of this Agreement in accordance with the provisions of Section 8.2 hereof, if (a) the occurrence of an event of default results in the acceleration of the Outstanding Bonds by the Trustee pursuant to the terms of the Resolution, as the case may be, and (b) (i) all arrears of interest on such Outstanding Bonds and interest on overdue installments of the principal of, redemption premium

if any, and interest on such Bonds, at a rate per annum that is equal to the highest rate per annum borne by any of the Bonds, and (ii) the principal of and redemption premium, if any, and interest on all Bonds then Outstanding that have become due and payable otherwise than by acceleration, and (iii) all other sums that are due and payable under the terms of the Resolution, as the case may be, except the principal of and the interest on such Bonds that by such acceleration shall have become due and payable, shall have been paid, and all other things shall have been performed in respect of which there was a default and there shall have been paid the reasonable fees and expenses, including Administrative Expenses, of the Trustee and of the holders of such Bonds (including reasonable attorneys' fees paid or incurred) and such acceleration is rescinded under the terms of the Resolution, then, the County's default hereunder shall be waived without further action by the Trustee or the Improvement Authority. Upon such payment and waiver, this Agreement shall be fully reinstated, as if it had never been terminated, and the County and/or HCST, as applicable, shall be restored to the use, occupancy and possession of the Facilities.

SECTION 8.4. No Remedy Exclusive. No remedy conferred herein upon or reserved to the Improvement Authority or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Improvement Authority or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 8.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1. Surrender of Possession. Except as otherwise expressly provided in this Agreement upon the termination of the Facilities Lease Term as a result of the occurrence of an Event of Default under the terms of Article VIII hereof, the County hereby agrees to surrender possession of the Facilities peacefully and promptly to the Improvement Authority in the same or better condition as existed at the commencement of the Facilities Lease Term, and cause HCST to do the same, except for loss by fire or other casualty covered by insurance, condemnation and ordinary wear, tear and obsolescence.

SECTION 9.2. Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding upon the County, the Improvement Authority and their respective successors and assigns, subject, however, to the provisions of Section 7.7 and Section 7.8 hereof.

SECTION 9.3. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 9.4. Amounts Remaining Under Resolution. It is agreed by the parties hereto that upon the expiration or sooner termination of the Facilities Lease Term, as provided in this Agreement, after payment in full of the applicable Bonds (or provision for payment thereof having been made in accordance with the provisions of the Resolution and the fees, charges and expenses of the Trustee and paying agents and the Improvement Authority in accordance with the provisions of the Resolution, any amounts that are remaining in any fund or account created under the terms of the Bond Resolution shall belong to, and be paid by the Improvement Authority (after receipt from the Trustee) to the County.

SECTION 9.5. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.6. Notices. All notices or other communications provided for in this Agreement shall be in writing and shall be delivered personally, or sent by certified or registered mail, to the County Administrator, 567 Pavonia Avenue, Jersey City, New Jersey 07306 and to the Chief Executive Officer of the Improvement Authority, 830 Bergen Avenue, 9th Floor, Jersey City, New Jersey 07306, or to such representatives as the Improvement Authority or the County may from time to time designate in writing.

SECTION 9.7. Headings. The Article and section headings in this Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

SECTION 9.8. Non-Waiver. It is understood and agreed that nothing contained in this Agreement shall be construed as a waiver on the part of the parties, or any of them, of any right not explicitly waived in this Agreement.

SECTION 9.9. Amendment. This Agreement may be amended upon the mutual consent of the parties hereto; provided however, that, except as provided below, no such amendment shall be effective if, in the judgment of the Trustee, in reliance upon a Counsel's Opinion, such amendment adversely affects the rights of the holders of the Bonds that are Outstanding at the time of such amendment.

SECTION 9.10. Covenant of County as to Compliance With Federal Tax Matters. Upon the advice of Bond Counsel to the Improvement Authority, the County covenants that it will take all actions that are within its control that are necessary to assure that interest on the Bonds is exempt from Federal income taxation and the County covenants that it will refrain from taking any action that would cause the interest on the Bonds to be includable as gross income under the provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

SECTION 9.11. Change in Description of Facilities. Notwithstanding anything herein to the contrary, this Agreement may be amended under all circumstances to provide for a change in the description or location of the Facilities.

SECTION 9.12. Non Merger of Leases. Leases 1, 2, 3 and 4 are separate and distinct and shall not be deemed to be merged, but each shall continue in effect in accordance with its own terms and conditions.

SECTION 9.13 Recording. This lease shall be recorded in the County Register's Office as an interest in land with other deeds, mortgages, leases and other such interests.

IN WITNESS WHEREOF, the County has caused this instrument to be executed in its name by the County Executive of the County and the official seal to be hereunto affixed and the Improvement Authority have caused this instrument to be executed in its name by its Chief Executive Officer or Chairperson and its corporate seal to be hereunto affixed, all as of the day and year first above written.

ATTEST:

By: _____
Clerk

COUNTY OF HUDSON, NEW JERSEY

By: _____
County Executive

ATTEST:

By: _____
Assistant Secretary

HUDSON COUNTY IMPROVEMENT AUTHORITY

By: _____
Chief Executive Officer

IN WITNESS WHEREOF, the County has caused this instrument to be executed in its name by the County Executive of the County and the official seal to be hereunto affixed and the Improvement Authority have caused this instrument to be executed in its name by its Chief Executive Officer or Chairperson and its corporate seal to be hereunto affixed, all as of the day and year first above written.

ATTEST:

By: _____
Clerk

COUNTY OF HUDSON, NEW JERSEY

By: _____
County Executive

ATTEST:

By: _____
Assistant Secretary

HUDSON COUNTY IMPROVEMENT AUTHORITY

By: _____
Chief Executive Officer

EXHIBIT A

SCHEDULE OF BASIC RENT PAYMENTS AND IMPROVEMENT AUTHORITY ADMINISTRATIVE FEE

PLEASE SEE ATTACHED

Hudson County Improvement Authority

County Secured Lease Revenue Bonds, Series 2016

(Hudson County Vocational School Project)

FINAL

Date	Debt Service	Annual Net D/S	HCIA Adminstrative Fee	Hudson County Vocational-Technical Schools	
11/1/2016	0.00	0.00		11/1/2016	
5/1/2017	0.00		200,000.00	5/1/2017	200,000.00
11/1/2017	0.00	0.00		11/1/2017	
5/1/2018	0.00		200,000.00	5/1/2018	200,000.00
11/1/2018	4,018,900.00	4,018,900.00		11/1/2018	4,018,900.00
5/1/2019	5,998,900.00		200,000.00	5/1/2019	6,198,900.00
11/1/2019	3,979,300.00	9,978,200.00		11/1/2019	3,979,300.00
5/1/2020	6,054,300.00		197,525.00	5/1/2020	6,251,825.00
11/1/2020	3,927,425.00	9,981,725.00		11/1/2020	3,927,425.00
5/1/2021	6,107,425.00		194,931.25	5/1/2021	6,302,356.25
11/1/2021	3,872,925.00	9,980,350.00		11/1/2021	3,872,925.00
5/1/2022	6,162,925.00		192,206.25	5/1/2022	6,355,131.25
11/1/2022	3,815,675.00	9,978,600.00		11/1/2022	3,815,675.00
5/1/2023	6,225,675.00		189,343.75	5/1/2023	6,415,018.75
11/1/2023	3,755,425.00	9,981,100.00		11/1/2023	3,755,425.00
5/1/2024	6,285,425.00		186,331.25	5/1/2024	6,471,756.25
11/1/2024	3,692,175.00	9,977,600.00		11/1/2024	3,692,175.00
5/1/2025	6,352,175.00		183,168.75	5/1/2025	6,535,343.75
11/1/2025	3,625,675.00	9,977,850.00		11/1/2025	3,625,675.00
5/1/2026	6,425,675.00		179,843.75	5/1/2026	6,605,518.75
11/1/2026	3,555,675.00	9,981,350.00		11/1/2026	3,555,675.00
5/1/2027	6,490,675.00		176,343.75	5/1/2027	6,667,018.75
11/1/2027	3,489,312.50	9,979,987.50		11/1/2027	3,489,312.50
5/1/2028	6,564,312.50		172,675.00	5/1/2028	6,736,987.50
11/1/2028	3,412,437.50	9,976,750.00		11/1/2028	3,412,437.50
5/1/2029	6,647,437.50		168,831.25	5/1/2029	6,816,268.75
11/1/2029	3,331,562.50	9,979,000.00		11/1/2029	3,331,562.50
5/1/2030	6,721,562.50		164,787.50	5/1/2030	6,886,350.00
11/1/2030	3,259,012.50	9,980,575.00		11/1/2030	3,259,012.50
5/1/2031	6,804,012.50		160,550.00	5/1/2031	6,964,562.50
11/1/2031	3,177,237.50	9,981,250.00		11/1/2031	3,177,237.50
5/1/2032	6,897,237.50		156,118.75	5/1/2032	7,053,356.25
11/1/2032	3,084,237.50	9,981,475.00		11/1/2032	3,084,237.50
5/1/2033	6,994,237.50		151,468.75	5/1/2033	7,145,706.25
11/1/2033	2,986,487.50	9,980,725.00		11/1/2033	2,986,487.50
5/1/2034	7,096,487.50		146,581.25	5/1/2034	7,243,068.75
11/1/2034	2,883,737.50	9,980,225.00		11/1/2034	2,883,737.50
5/1/2035	7,203,737.50		141,443.75	5/1/2035	7,345,181.25
11/1/2035	2,775,737.50	9,979,475.00		11/1/2035	2,775,737.50
5/1/2036	7,315,737.50		136,043.75	5/1/2036	7,451,781.25
11/1/2036	2,662,237.50	9,977,975.00		11/1/2036	2,662,237.50
5/1/2037	7,437,237.50		130,368.75	5/1/2037	7,567,606.25
11/1/2037	2,542,862.50	9,980,100.00		11/1/2037	2,542,862.50
5/1/2038	7,562,862.50		124,400.00	5/1/2038	7,687,262.50
11/1/2038	2,417,362.50	9,980,225.00		11/1/2038	2,417,362.50
5/1/2039	7,692,362.50		118,125.00	5/1/2039	7,810,487.50
11/1/2039	2,285,487.50	9,977,850.00		11/1/2039	2,285,487.50
5/1/2040	7,830,487.50		111,531.25	5/1/2040	7,942,018.75
11/1/2040	2,146,862.50	9,977,350.00		11/1/2040	2,146,862.50
5/1/2041	7,976,862.50		104,600.00	5/1/2041	8,081,462.50
11/1/2041	2,001,112.50	9,977,975.00		11/1/2041	2,001,112.50
5/1/2042	8,131,112.50		97,312.50	5/1/2042	8,228,425.00
11/1/2042	1,847,862.50	9,978,975.00		11/1/2042	1,847,862.50
5/1/2043	8,292,862.50		89,650.00	5/1/2043	8,382,512.50
11/1/2043	1,686,737.50	9,979,600.00		11/1/2043	1,686,737.50
5/1/2044	8,461,737.50		81,593.75	5/1/2044	8,543,331.25
11/1/2044	1,517,362.50	9,979,100.00		11/1/2044	1,517,362.50
5/1/2045	8,637,362.50		73,125.00	5/1/2045	8,710,487.50
11/1/2045	1,339,362.50	9,976,725.00		11/1/2045	1,339,362.50
5/1/2046	8,829,362.50		64,225.00	5/1/2046	8,893,587.50
11/1/2046	1,152,112.50	9,981,475.00		11/1/2046	1,152,112.50
5/1/2047	9,032,112.50		54,862.50	5/1/2047	9,086,975.00
11/1/2047	945,262.50	9,977,375.00		11/1/2047	945,262.50
5/1/2048	9,250,262.50		45,012.50	5/1/2048	9,295,275.00
11/1/2048	727,256.25	9,977,518.75		11/1/2048	727,256.25
5/1/2049	9,482,256.25		34,631.25	5/1/2049	9,516,887.50
11/1/2049	497,437.50	9,979,693.75		11/1/2049	497,437.50
5/1/2050	9,722,437.50		23,687.50	5/1/2050	9,746,125.00
11/1/2050	255,281.25	9,977,718.75		11/1/2050	255,281.25
5/1/2051	9,980,281.25		12,156.25	5/1/2051	9,992,437.50
11/1/2051		9,980,281.25			
	333,335,075.00	333,335,075.00			337,998,550.00

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

BY AND AMONG

HUDSON COUNTY IMPROVEMENT AUTHORITY,

COUNTY OF HUDSON, STATE OF NEW JERSEY

AND

DIGITAL ASSURANCE CERTIFICATION, LLC

Dated: _____, 2026

Entered into with respect to
Hudson County Improvement Authority

$_____ County Secured Lease Revenue Refunding Bonds, Series 2026
(Hudson County Vocational-Technical Schools Project)

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "*Agreement*"), dated as of _____, 2026, is by and among the Hudson County Improvement Authority (the "*Authority*"), the County of Hudson, State of New Jersey (the "*County*"), and Digital Assurance Certification, LLC, Orlando, Florida, as dissemination agent (the "*Dissemination Agent*", and, collectively, with the Authority and the County, the "Parties"), for the $_____ County Secured Lease Revenue Refunding Bonds, Series 2026 (Hudson County Vocational-Technical Schools Project) issued by the Authority and dated the date of delivery thereof (the "*Bonds*").

WITNESSETH

WHEREAS, the Authority is issuing its Bonds, in the aggregate principal amount of $_____ ; and

WHEREAS, the Bonds are being issued pursuant to and in accordance with (i) a bond resolution of the Authority entitled, "Resolution Authorizing the Issuance of County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project) of the Hudson County Improvement Authority and Determining Other Matters Related Thereto" adopted on March 23, 2016, as supplemented by Resolution 9-2026-8, finally adopted on September 9, 2026, entitled "Supplemental Resolution Authorizing the Issuance of Not to Exceed $145,000,000 County Secured Lease Revenue Refunding Bonds, Series 2026 (Hudson County Vocational-Technical Schools Project) of The Hudson County Improvement Authority And Determining Various Other Matters In Connection Therewith" (collectively, the "*Resolution*"), and (ii) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State and the acts amendatory thereof and supplemental thereto (the "*Act*"); and

WHEREAS, the Securities and Exchange Commission (the "*SEC*"), pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified as of the date hereof at 15 U.S.C. §77 *et seq*.), has adopted amendments effective July 3, 1995 to its Rule 15c2-12 (codified at 17 C.F.R. §240.15c2-12) ("*Rule 15c2-12*") that generally prohibit a broker, dealer or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and operating data, notices of the occurrence of certain material events and notices of the failure to make a submission required by a continuing disclosure agreement to various information repositories; and

WHEREAS, the SEC has adopted amendments, effective July 1, 2009, to Rule 15c2-12 requiring that the annual financial information and operating data, notices of the occurrence of certain material events and notices of the failure to make a submission required by a continuing disclosure agreement be provided to the Municipal Securities Rulemaking Board (the "*MSRB*") and not to the various information repositories, and requiring that such information be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB; and

WHEREAS, the SEC has adopted amendments, from time to time, to Rule 15c2-12 revising the list of event notices of the occurrence of which must be provided to the MSRB and revising the time for the filing of notices of the occurrence of these events; and

WHEREAS, on November ___, 2026, the Authority entered into a Bond Purchase Agreement (the "*Bond Purchase Agreement*") with Raymond James & Associates, Inc. (the "*Underwriter*") for the purchase of the Bonds; and

WHEREAS, the County is an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12 and, in order to enable a "participating underwriter" within the meaning of Rule 15c2-12 to purchase the Bonds, is therefore required to cause the delivery of the information described in this Agreement to the municipal securities marketplace for the period of time specified in this Agreement; and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the Authority, the County and the Dissemination Agent, respectively, and all conditions, acts and things necessary and required to exist, to have happened or to have been performed precedent to and in the execution and delivery of this Agreement, do exist, have happened and have been performed in regular form, time and manner; and

WHEREAS, the Authority, the County and the Dissemination Agent are entering into this Agreement for the benefit of the holders of the Bonds.

NOW, THEREFORE, for and in consideration of the promises and of the mutual representations, covenants and agreements herein set forth, the Authority, the County and the Dissemination Agent, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1. Terms Defined in Recitals. All capitalized terms defined in the preambles hereof shall have the meanings set forth therein for all purposes of this Agreement.

Section 1.2. Additional Definitions. The following additional terms shall have the meanings specified below:

"*Annual Financial Information*" means the financial information or operating data with respect to the County for each fiscal year of the County, beginning with the fiscal year commencing January 1, 2026, as set forth in Appendix A of the Final Official Statement, including Annual Financial Statements, if available, or unaudited financial statements.

"*Annual Financial Statements*" means annual financial statements of the County prepared by a firm of certified public accountants in accordance with generally accepted accounting principles, consistently applied, as in effect from time to time; *provided*, *however*, that the County reserves the right to change the basis upon which its financial statements are prepared at any time and from time to time. Should the County exercise this right at any time, it shall provide Notice of any such modification to the MSRB via EMMA, which Notice shall include a reference to the specific federal or State law or regulation requiring or permitting such accounting change and a description of such change.

"*Bondholder*" or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any Outstanding Bond, including holders of beneficial interests in the Bonds.

"*Business Day*" means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in the City of New York, in the State or in the city or cities in which the designated corporate trust office of the Dissemination Agent is located are authorized or required by law to close, or (c) a day on which the New York Stock Exchange is closed.

"*Disclosure Event*" means any event described in Section 2.2 of this Agreement.

"*Disclosure Event Notice*" means the notice to the MSRB, as provided in Section 2.2 of this Agreement.

"*Dissemination Agent*" means an entity acting in its capacity as Dissemination Agent under this Agreement, or any successor Dissemination Agent designated in writing by the Authority or the County that has filed a written acceptance of such designation.

"*EMMA*" means the Electronic Municipal Markets Access system maintained by the MSRB, which serves as the sole nationally recognized municipal securities information repository under Rule 15c2-12.

"*Final Official Statement*" means the final Official Statement of the Authority dated _____, 2026 pertaining to the Bonds.

"*MSRB*" means the Municipal Securities Rulemaking Board, or any successor organization.

"*Notice*" means written notice sent pursuant to the provisions of Section 4.4 of this Agreement via the United States Postal Service or through a private delivery service that provides evidence of delivery.

"*State*" means the State of New Jersey.

Section 1.3. Capitalized Terms Not Defined Herein. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Resolution.

Section 1.4. Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Agreement. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Agreement, refer to this Agreement as a whole unless otherwise expressly stated.

As the context shall require, all words importing the singular number shall include the plural number and vice versa; the disjunctive term "or" shall be interpreted conjunctively as required to insure that the Authority or the County performs any obligations mentioned in the passage in which such term appears.

ARTICLE 2

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1. Provisions of Annual Financial Information. (a) Not later than September 15 after the end of each fiscal year of the County, the County shall provide Annual Financial Information to the Dissemination Agent and the Dissemination Agent shall file such Annual Financial Information with the MSRB through EMMA.

(b) In a timely manner, the Dissemination Agent shall provide Notice to the MSRB in the event the County fails to provide Annual Financial Information on or before the date set forth in Section 2.1(a).

(c) In the event that the County does not provide Annual Financial Statements as part of its Annual Financial Information filing by the date set forth in Section 2.1(a), the County shall provide unaudited financial statements, and thereafter shall provide audited financial statements when and if available.

(d) Any or all of the items that must be included in the Annual Financial Information may be incorporated by reference from other documents, including official statements delivered in connection with other financings issued on behalf of the County or related public entities, that are available to the public on the MSRB's Internet website or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB through EMMA. The County shall clearly identify each such other document so incorporated by reference in the Annual Financial Information.

Section 2.2. Reporting of Disclosure Events. The Authority, through the Dissemination Agent, shall provide in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, to the MSRB through EMMA, Notice of any of the following events, except for events (xii), (xiii), (xv) and (xvi) for which the County shall provide Notice through the Dissemination Agent, with respect to the Bonds (each, a "*Disclosure Event*"):

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;

(vii) modifications to the rights of Bondholders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar events of the County, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County;

(xiii) the consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee, or the change of name of a trustee, if material;

(xv) incurrence of a "financial obligation" (as defined in the Rule) of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

The foregoing Disclosure Events are quoted from Rule 15c2-12. Some of such Disclosure Events may not be applicable to the Bonds.

Section 2.3. Documents to be Provided in Electronic Format and Accompanied by Identifying Information. The County and the Authority agree, as applicable, that the Annual Financial Information, each Disclosure Event Notice and each Notice pursuant to Section 2.1 hereof shall be provided to the MSRB in an electronic format as prescribed by the MSRB, and that all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 2.4. Responsibilities, Duties, Immunities and Liabilities of Dissemination Agent.

(a) If the Authority or County has determined it necessary to report the occurrence of a Disclosure Event, the Authority, County or the Dissemination Agent (if it has received notice from the

Authority or County of a Disclosure Event) shall in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, file a Disclosure Event Notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. The obligations of the Authority, County and/or the Dissemination Agent to provide the Notices to the MSRB under this Agreement are in addition to, and not in substitution of, any of the obligations of the Trustee to provide notices of events of default to Bondholders under the Resolution. The Authority, County and/or the Dissemination Agent, as applicable, shall file a copy of each Disclosure Event Notice with the Authority and the Trustee, for informational purposes only.

(b) If the Annual Financial Information is received by it, the Dissemination Agent shall file a written report with the County certifying that the Annual Financial Information has been provided to the MSRB pursuant to this Agreement and stating the date it was provided to the MSRB.

(c) The Dissemination Agent has no power to enforce performance of this Agreement on the part of either the Authority or the County. The Dissemination Agent shall not be responsible in any manner for the content of any Notice or report prepared by the Authority or the County pursuant to this Agreement.

(d) The provisions of the Resolution affecting the responsibilities, duties, immunities and liabilities of the Trustee are each hereby made applicable to this Agreement as if the duties of the Dissemination Agent hereunder were (solely for this purpose) set forth in the Resolution.

Section 2.5. Appointment, Removal and Resignation of Dissemination Agent.

(a) The Authority or the County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent and appoint a successor Dissemination Agent, such discharge to be effective on the date of the appointment of a successor Dissemination Agent.

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement.

(c) The Dissemination Agent, or any successor thereto, 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 Authority and the County. Such resignation shall take effect on the date specified in such Notice.

ARTICLE 3

DEFAULTS AND REMEDIES

Section 3.1. Disclosure Default. The occurrence and continuation of a failure by the Authority or the County, as applicable, to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Agreement, and such failure shall remain uncured for a period of thirty (30) days after written Notice thereof has been given to the Authority or the County, as applicable, by the Trustee or any Bondholder, shall constitute a disclosure default hereunder.

Section 3.2 Remedies on Default.

(a) The Trustee (at the request of the Underwriter or the holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, after provision of indemnity in accordance with the Resolution) shall, or any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may, take whatever action at law or in equity against the Authority or the County, as applicable, and any of the officers, agents and employees of the Authority or the County, as applicable, necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Authority or the County, as applicable, under this Agreement and may compel the Authority or the County, as applicable, or any such officers, agents or employees, except for the Dissemination Agent, to perform and carry out their duties under this Agreement; *provided*, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case the Trustee or any Bondholder shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Bondholder, as the case may be, then and in every such case the Authority, the County, the Trustee and any Bondholder, as the case may be, shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Authority, the County, the Trustee and any Bondholder shall continue as though no such proceeding had been taken.

(c) A default under this Agreement shall not be deemed an event of default under the Resolution, and the sole remedy under this Agreement in the event of any failure by the Authority or the County to comply with this Agreement shall be as set forth in Section 3.2(a) of this Agreement.

ARTICLE 4

MISCELLANEOUS

Section 4.1. Purposes of this Agreement. This Agreement is being executed and delivered by the Authority, the County and the Dissemination Agent for the benefit of the Bondholders and in order to assist the Underwriter in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2. Third-Party Beneficiaries. Each Bondholder is hereby recognized as being a third-party beneficiary hereunder and each may enforce, for the equal benefit and protection of all Bondholders similarly situated, any such right, remedy or claim conferred, given or granted hereunder in favor of the Trustee.

Section 4.3 Additional Information. Nothing in this Agreement shall be deemed to prevent the Authority or the County from (a) disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or (b) including any other information in the Annual Financial Information or in any Disclosure Event Notice in addition to that which is specifically required by this Agreement. If the Authority or the County, as applicable, chooses to include any information in the Annual Financial Information or in any Disclosure Event Notice in addition to that which is specifically required by this Agreement, the Authority or the County, as applicable, shall have no obligation under this Agreement to update such information or to include it in any future Annual Financial Information or in any future Disclosure Event Notice. The Authority or the County, as applicable, shall reimburse the Dissemination Agent for any expenses incurred by the Dissemination Agent in providing such additional information pursuant to this Section 4.3.

Section 4.4. Notices. All Notices required to be given or authorized to be given by any party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail (as well as by facsimile, in the case of the Dissemination Agent or the Trustee) to:

In the case of the Authority:

Hudson County Improvement Authority
830 Bergen Avenue, 9th Floor
Jersey City, New Jersey 07306
Attention: Chief Executive Officer

In the case of the County:

County of Hudson
County Administration Annex
567 Pavonia Avenue
Jersey City, New Jersey 07306
Attention: Cheryl Fuller, Director of the
Department of Finance and Administration

In the case of the Dissemination Agent or the Trustee, addressed to it at its designated corporate trust office at:

Digital Assurance Certification, LLC
315 East Robinson Street, Suite 300
Orlando, FL 32801
Attention: DAC Support
Facsimile: 407-515-6513

Section 4.5. Assignment. This Agreement may not be assigned by any party without the written consent of the others and, as a condition to any such assignment, only upon the assumption in writing of all of the obligations imposed upon such party by this Agreement.

Section 4.6. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 4.7. Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. All parties hereto may sign the same counterpart or each party hereto may sign a separate counterpart.

Section 4.8. Amendments, Changes and Modifications.

(a) Except as otherwise provided in this Agreement, subsequent to the initial issuance of the Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Resolution), this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee.

(b) Without the consent of any Bondholders, the Authority, the County, and the Dissemination Agent may amend any provision of this Agreement if Bond Counsel to the Authority and Bond Counsel to the County issue opinions supporting a determination that:

(1) This Agreement, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of Rule 15c2-12; and

(2) Such amendment does not materially impair the interests of the holders or beneficial owners of the Bonds.

(c) Upon entering into any amendment or modification required or permitted by this Agreement, the Authority or the County shall provide, or cause the Dissemination Agent to provide, to the MSRB through EMMA, Notice of any such amendment or modification.

(d) The Authority, the County and the Dissemination Agent shall be entitled to rely exclusively upon opinions of Bond Counsel to the Authority and Bond Counsel to the County when determining questions of materiality relating to any provision of this Agreement and Rule 15c2-12.

Section 4.9. Amendments Required by Rule 15c2-12. The Authority, the County and the Dissemination Agent each recognize that the provisions of this Agreement are intended to enable the Underwriter to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Agreement shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery by the Underwriter of an opinion of counsel nationally recognized as an expert in federal securities law acceptable to the Authority and the County to the effect that such amendments shall be permitted or necessary to assure continued compliance by the Underwriter with Rule 15c2-12 as so amended or interpreted, then the Authority, the County and the Dissemination Agent shall amend this Agreement to comply with and be bound by any such amendment hereto to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and agree to provide written Notice of such amendment as required by Section 4.8(c) hereof.

Section 4.10. Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of New Jersey and the federal laws of the United States of America.

Section 4.11. Termination of Authority's and County's Continuing Disclosure Obligations. The continuing obligation of the Authority and the County under Sections 2.1 and 2.2 hereof, as applicable, to provide the Annual Financial Information and any Disclosure Event Notice and to comply with the other requirements of this Agreement shall terminate if and when either (a) the Bonds are no longer Outstanding in accordance with the terms of the Resolution or (b) the County no longer remains an "obligated person" (as defined in Rule 15c2-12(f)(10)) with respect to the Bonds and, in either event, only after the Authority or the County provides, or causes the Dissemination Agent to provide, to the MSRB through EMMA, written Notice to such effect. This Agreement shall be in full force and effect from the date hereof and shall continue in effect so long as any Bonds remain Outstanding.

Section 4.12. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Authority, the County and the Dissemination Agent and their respective successors and assigns.

Section 4.13. No Personal Recourse. No personal recourse shall be had for any claim based on this Agreement against any member of the Authority or the County, or any officer or employee, past, present or future, or any successor body, as such, either directly or through the Authority, the County or any successor body, under any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise.

Section 4.14. Headings for Convenience Only. The descriptive headings in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 4.15 Entire Agreement. This Agreement sets forth the entire understanding and agreement of the Authority, the County and the Dissemination Agent with respect to the matters herein contemplated, and no modification or amendment of or supplement to this Agreement shall be valid or effective unless the same is in writing and signed by the parties hereto.

IN WITNESS WHEREOF, **THE HUDSON COUNTY IMPROVEMENT AUTHORITY**, **COUNTY OF HUDSON** and **DIGITAL ASSURANCE CERTIFICATION, LLC** have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

HUDSON COUNTY IMPROVEMENT AUTHORITY

By:_____
Norman M. Guerra
Chief Executive Officer

COUNTY OF HUDSON

By:_____
Craig Guy
County Executive

DIGITAL ASSURANCE CERTIFICATION, LLC, **as Dissemination Agent**

By:_____

APPENDIX F

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

_____, 2026

Hudson County Improvement Authority
Jersey City, New Jersey

Dear Authority Members:

We have examined a record of proceedings relating to the issuance of $_____ aggregate principal amount of County Secured Lease Revenue Refunding Bonds, Series 2026 (Hudson County Vocational-Technical Schools Project) (the "Bonds") by the Hudson County Improvement Authority (the "Authority"), a public body corporate and politic duly created and validly existing under the provisions of the Constitution and the statutes of the State of New Jersey, including the county improvement authorities law, N.J.S.A. 40:37A-44 et seq., (the "Act").

The Bonds are issued pursuant to (i) the county improvement authority law, constituting Chapter 183 of the Laws of New Jersey of 1960 (N.J.S.A. 40:37A-44 et seq.), and the acts amendatory thereof and supplemental thereto (the "Act"), (ii) a bond resolution of the Authority entitled, "Resolution Authorizing the Issuance of County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project) of the Hudson County Improvement Authority and Determining Other Matters Related Thereto", adopted on March 23, 2016, as supplemented by Resolution 9-2026-8, finally adopted on September 9, 2026 and entitled, "Supplemental Resolution Authorizing the Issuance of Not to Exceed $145,000,000 County Secured Lease Revenue Refunding Bonds, Series 2026 (Hudson County Vocational-Technical Schools Project) of The Hudson County Improvement Authority And Determining Various Other Matters In Connection Therewith" (collectively, the "Bond Resolution"), (iii) a certificate of the Chief Executive Officer of the Authority, entitled "Certificate of the Chief Executive Officer of the Hudson County Improvement Authority Providing for the Issuance and Sale of $_____ Aggregate Principal Amount of County Secured Lease Revenue Refunding Bonds, Series 2026 (Hudson County Vocational-Technical Schools Project) and Determining Various Matters Pertaining Thereto", dated _____, 2026, exercising powers delegated by the Bond Resolution (the "Award Certificate," and together with the Bond Resolution, the "Resolution"), and (iv) all other applicable law.

Certain terms used herein as defined terms shall, unless otherwise specifically defined herein or unless the context clearly requires otherwise, have the meanings which are assigned to such terms in the Resolution.

The Bonds will be dated _____, 2026 and will bear interest from such date, payable semiannually on the first day of May and November in each year until maturity or prior redemption, as applicable, commencing May 1, 2027, at the rate per annum set forth in the Award Certificate.

The Bonds are being issued to provide funds to (a) refund, on a current basis, the Authority's outstanding County Secured Lease Revenue Bonds, Series 2016 (Hudson County Vocational-Technical Schools Project) originally issued on May 17, 2016, in the principal amount of $160,000,000 and (b) pay certain costs of issuance of the Bonds.

As the basis for the opinions which we set forth below, we have examined such matters of law, including the Act, such documents including the Resolution and such other statutes, resolutions, ordinances, certificates, certain other opinions of counsel and records of the Authority as we have considered necessary to enable us to express the opinions hereinafter set forth. As to matters of fact, we have relied on the representations of the Authority and, where we have deemed appropriate, representations or certifications of public officials. Further, in expressing such opinions, we have relied upon the genuineness, the truthfulness and the completeness of the Resolution, the documents, the representations, the certificates, the opinions and the records referred to above.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Authority had and has the right and power under the Act to adopt the Bond Resolution and to authorize the issuance of the Bonds, and has the power and authority under the Act, in accordance with the terms of the Bond Resolution, to execute the Award Certificate. The Bond Resolution has been duly and lawfully adopted by the Authority, and the Award Certificate has been duly and lawfully executed on behalf of the Authority. Each is in full force and effect, is valid and binding upon the Authority, the Trustee and the Holders of the Bonds, and is enforceable in accordance with its terms, and creates the valid pledge which it purports to create, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors rights ("Creditors' Rights Limitations"), and no other authorization for the Resolution is required.

2. The Bonds have been duly authorized and issued by the Authority in accordance with the Act and the provisions of the Resolution. The Bonds are valid and binding special obligations of the Authority and shall be payable from and secured by all monies, securities and funds which are held or set aside with respect to such Bonds pursuant to the terms of the Resolution or which are held in any funds, accounts or sub-accounts which are established or created under the Resolution (except for the Rebate Fund) with respect to such Bonds. The Bonds are enforceable in accordance with their terms, the terms of the Act and the terms of the Resolution, except insofar as the enforcement thereof may be limited by Creditors' Rights Limitations. The Bonds are not a debt or liability of the State of New Jersey, the County, or any other county or municipality (except to the extent the County is obligated to make rental payments pursuant to the Lease Agreement (as hereinafter defined)) and do not and shall not create or constitute an indebtedness, liability or obligation of the State, County or any other county or municipality (except for the County to the extent described above) either legal, moral or otherwise.

3. The Authority has full power and authority to enter into a first amendment to the Lease and Agreement by and between the Authority and the County, dated May 17, 2016 (the "Original Lease Agreement"), dated as of _____, 2026 (the "First Amendment" and together

with the Original Lease Agreement, the "Lease Agreement"). The First Amendment has been duly and lawfully adopted, executed and delivered by the Authority and upon assuming the due authorization, execution and delivery by the County, creates a valid and binding obligation of the Authority and the County and such obligation is enforceable in accordance with its terms, except insofar as the enforcement thereof may be limited by Creditors' Rights Limitations.

4. On the date hereof, the Authority has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Bonds in order to preserve the tax-exempt status of the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the event that the Authority continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Authority in the Certificate, it is our opinion that, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing federal alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Bonds. Further, in our opinion, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention after the date of this opinion, or any changes in law or interpretations thereof that may occur after the date of this opinion, or for any reason whatsoever.

Very truly yours,