

## NEW ISSUE – Book-Entry Only

NOT RATED

*In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds[, including interest in the form of original issue discount,] will not be includible in gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the Authority with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals. Under the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. See “TAX MATTERS” herein.*

**\$7,545,000\***

**MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
TAX INCREMENT FINANCING REVENUE REFUNDING BONDS  
(CAMELBACK POCONO TOWNSHIP PROJECT),  
SERIES OF 2025 (TAX-EXEMPT)**

**Dated: Date of Delivery****Due: July 1, 2033**

The \$7,545,000\* Monroe County Industrial Development Authority Tax Increment Financing Revenue Refunding Bonds (Camelback Pocono Township Project), Series of 2025 (Tax-Exempt) (the “Bonds”) are special obligations of the Monroe County Industrial Development Authority (the “Authority”). The Bonds are payable solely from and secured by a pledge of certain Tax Increment Revenues (as defined herein) and certain funds held by the Trustee pursuant to the provisions of a First Supplemental Trust Indenture, dated as of August 1, 2025 (the “First Supplemental Indenture”), amending and supplementing a Trust Indenture dated as of December 1, 2013 (collectively, the “Indenture”), by and between the Authority and Manufacturers and Traders Trust Company, as trustee (the “Trustee”). The Bonds are being issued to provide funds to (i) refund all of the outstanding amount of the Authority’s previously issued Monroe County Industrial Development Authority, Tax Increment Financing Revenue Bonds (Camelback Pocono Township Project), Series of 2013 (Federally Taxable), dated December 12, 2013 (the “Prior Bonds”), (ii) fund the Debt Service Reserve Fund (as defined herein), and (iii) pay certain costs relating to the issuance of the Bonds.

Interest on the Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2026. The Bonds are being issued in fully registered book-entry form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Beneficial owners of the Bonds will not receive physical certificates representing their interest in the Bonds purchased, but will receive a credit balance on the books of the nominees of such beneficial owners. Individual purchases of the Bonds will be in principal amounts of \$5,000 and any multiple of \$5,000 for amounts in excess thereof (referred to herein as “Authorized Denominations”). Payments of principal of and interest on the Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who will remit such payment to the beneficial owners of the Bonds. See “THE BONDS – Book-Entry Only System” herein.

The Bonds are subject to redemption prior to maturity, as described herein. See “THE BONDS-Redemption” herein.

***The purchase of the Bonds is an investment risk subject to a high degree of risk, including the risk of nonpayment of principal and interest. See “RISK FACTORS” herein for a discussion of such factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds.***

**THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE PRINCIPAL OF THE BONDS, NOR THE INTEREST ACCRUING THEREON, SHALL EVER CONSTITUTE A GENERAL INDEBTEDNESS OF THE AUTHORITY OR AN INDEBTEDNESS OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER OR SHALL EVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, NOR WILL THE BONDS BE, OR BE DEEMED TO BE, AN OBLIGATION OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF. THE AUTHORITY HAS NO TAXING POWER.**

The Bonds are offered for delivery when, as and if issued, subject to the opinion of Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania, Bond Counsel, as to the validity of the Bonds and the excludability from gross income of interest on the Bonds for federal income tax purposes. Certain legal matters will be passed upon for the Underwriter by Cozen O’Connor, Harrisburg, Pennsylvania, and for the Authority by Newman Williams, P.C., Stroudsburg, Pennsylvania. It is expected that the Bonds will be available for delivery on or about August \_\_, 2025.

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

**STIFEL**

Dated: \_\_\_\_\_, 2025

\* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**\$7,545,000\***  
**MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**  
**TAX INCREMENT FINANCING REVENUE REFUNDING BONDS**  
**(CAMELBACK POCONO TOWNSHIP PROJECT),**  
**SERIES OF 2025 (TAX-EXEMPT)**

**MATURITY SCHEDULE**

\$ \_\_\_\_\_ – Term Bond due July 1, 2033 – Price \_\_\_\_\_ % – Yield \_\_\_\_\_ % – CUSIP\*: \_\_\_\_\_

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\* Preliminary; subject to change.

\* CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and neither the Authority or the Underwriter makes any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds 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. CUSIP numbers shown above have been assigned by an organization not affiliated with the Authority. The Authority is not responsible for the selection of CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated herein.

**MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**

Stroudsburg, Pennsylvania

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Manufacturers and Traders Trust Company  
Harrisburg, Pennsylvania

**BOND COUNSEL**

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Harrisburg, Pennsylvania

**DEVELOPER**

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**UNDERWRITER**

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Philadelphia, Pennsylvania

**COUNSEL TO THE AUTHORITY**

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Stroudsburg, Pennsylvania

**UNDERWRITER'S COUNSEL**

Cozen O'Connor  
Harrisburg, Pennsylvania

**ADMINISTRATOR**

MuniCap, Inc.  
Columbia, Maryland

No dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Authority, or the Underwriter. The information set forth herein concerning the Developer has been furnished by the Developer and is believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Authority or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any state to any person to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale hereunder will under any circumstances create any implication that there has been no change in the affairs of the Developer since the date hereof.

In making an investment decision, investors must rely on their own examination of the Bonds, the Developer and the terms of the offering, including the merits and risks involved. The Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, no such commission or regulatory authority has confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. 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 applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information contained in this Official Statement has been furnished by the Developer, the Authority, DTC and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter. 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 parties referred to above since the date hereof.

OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE AUTHORITY CONTAINED IN “THE AUTHORITY” AND “LITIGATION -- AUTHORITY” HEREIN, NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE AUTHORITY, AND THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this offering document for purposes of, and as that term is defined in, SEC Rule 15c2-12.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE TRUST INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF LAWS OF THE STATES IN WHICH BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE

EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER. THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE ON CERTAIN EXEMPTIONS FROM REGISTRATION.

This Official Statement speaks as of its date except where specifically noted otherwise and is subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Authority or the Developer since the date hereof or imply that any information herein is accurate or complete as of any later date.

This Official Statement has been deemed final as of its date by the Authority and the Developer for purposes of Securities Exchange Act of 1934, Rule 15c2-12 (except for the omission of certain information permitted under Rule 15c2-12(b)(1)).

This Official Statement contains statements that should be considered “forward-looking statements,” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended, meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as “anticipate,” “believe,” “budget,” “estimate,” “expect,” “intend,” “plan,” “forecast,” or similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. CERTAIN OF THE RISKS AFFECTING FUTURE RESULTS ARE DESCRIBED IN “BONDHOLDERS’ RISKS” HEREIN. THE AUTHORITY DOES NOT EXPECT OR INTEND TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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## **PRELIMINARY OFFICIAL STATEMENT**

**\$7,545,000\***

### **MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY TAX INCREMENT FINANCING REVENUE REFUNDING BONDS (CAMELBACK POCONO TOWNSHIP PROJECT), SERIES OF 2025 (TAX-EXEMPT)**

#### **INTRODUCTION**

The Monroe County Industrial Development Authority (the “Authority”) has prepared this Preliminary Official Statement, which includes the text, the cover page, the inside cover page, the Table of Contents and each of the Appendices attached hereto, in connection with the issuance and sale of \$7,545,000\* aggregate principal amount of Monroe County Industrial Development Authority Tax Increment Financing Revenue Refunding Bonds (Camelback Pocono Township Project), Series of 2025 (Tax-Exempt) (the “Bonds”).

The Bonds may not be suitable for all investors. Prospective purchasers of the Bonds should read this Preliminary Official Statement in its entirety. The descriptions and summaries of the various documents referred to herein do not purport to be comprehensive or definitive, and all such descriptions or summaries are qualified in their entirety by reference to the complete documents.

Capitalized terms not otherwise defined herein shall have the meanings set forth in APPENDIX B – “Form of Indenture”.

#### **The Bonds**

The Bonds will be issued pursuant to the provisions of the Pennsylvania Economic Development Financing Law, the Act of August 23, 1967, P.L. 251, as amended (the “Economic Development Financing Law”), the Pennsylvania Tax Increment Financing Act (P.L. 465, approved July 11, 1990, 53 P.S. § 6930.1 *et seq.*, as amended) (the “TIF Act” and together with the Economic Development Financing Law, the “Acts”) and a First Supplemental Trust Indenture, dated as of August 1, 2025, amending and supplementing the Trust Indenture, dated as of December 1, 2013 (collectively, the “Indenture”), by and between the Authority and Manufacturers and Traders Trust Company, as trustee (the “Trustee”).

The Bonds will be issued as fully registered bonds in book entry form in denominations of \$5,000 or any integral multiple \$5,000 thereof (the “Authorized Denomination”). See “THE BONDS” herein.

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\* Preliminary; subject to change.

## **Use of Proceeds**

The Bonds are being issued as Additional Bonds under the Indenture to provide funds to (i) refund all of the outstanding amount of the Authority's previously issued Monroe County Industrial Development Authority, Tax Increment Financing Revenue Bonds (Camelback Pocono Township Project), Series of 2013 (Federally Taxable), dated December 12, 2013 (the "Prior Bonds"), (ii) fund the Debt Service Reserve Fund (as defined herein), and (iii) pay certain costs relating to the issuance of the Bonds (collectively, the "Project"). See "THE BONDS – Estimated Sources and Uses of Funds"

The Prior Bonds were issued to provide funds to (i) finance the costs of the purchase and installation of furniture, fixtures and equipment to be incorporated into the Development (hereinafter defined) and other necessary and related expenditures within the Pocono CBK Tax Increment Financing District (the "TIF District") in the County of Monroe, Pennsylvania (the "County"), the Township of Pocono (the "Township") and the Pocono Mountain School District (the "School District"), (ii) fund capitalized interest on the Prior Bonds, (iii) fund a debt service reserve fund, (iv) fund certain administrative expenses, and (v) pay certain costs relating to the issuance of the Prior Bonds (collectively, the "Prior Project").

## **Authority for Creation of the TIF District, Issuance of Bonds**

The Authority is a body corporate and politic of the Commonwealth of Pennsylvania (the "Commonwealth"), organized under the Economic Development Financing Law, and is empowered under the Economic Development Financing Law to acquire, hold, construct, improve, maintain, own, finance and lease, either as lessor or lessee, public facilities and other facilities or activities that promote any of the public purposes set forth in the Economic Development Financing Law. Under the TIF Act, the Authority is authorized to participate in "project plans" (as defined in the TIF Act), upon such terms and conditions and in such manner as the Authority may determine to be reasonable.

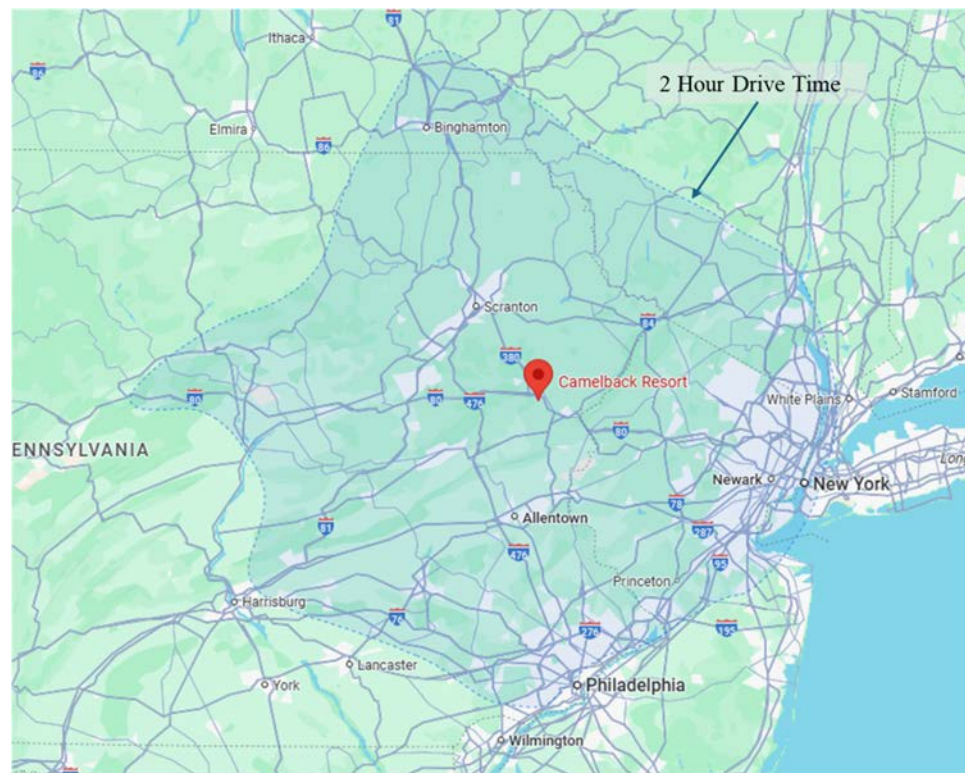
On March 25, 2013, the Planning Commission of the Township certified the area comprising the TIF District as a "redevelopment area" within the meaning of the Urban Redevelopment Law (Act of May 24, 1945, P.L. 991, No. 385, as amended), so as to permit redevelopment thereunder and under the TIF Act. The Board of Commissioners (the "Township Board") of the Township adopted Ordinance No. 2013-06 on July 15, 2013 (the "TIF Ordinance") by which it (a) created the TIF District and (b) adopted the Tax Increment Financing Plan for the Pocono CBK Tax Increment Financing District (the "TIF Plan") for the financing and development of the Prior Project related to the TIF District, all in accordance with the requirements of the TIF Act.

The Township, the County and the School District constitute all of the taxing bodies that levy real property taxes within the TIF District (the "Taxing Bodies"). Each of the Taxing Bodies participated with the Authority, as provided in the TIF Act, in the development of the TIF Plan, and each adopted the necessary legislation to authorize their respective participation in the TIF Plan. Pursuant to the TIF Plan, the Authority and the Taxing Bodies entered into an intergovernmental Cooperation Agreement, dated for convenience as of November 25, 2013, but

effective as provided therein (the “Cooperation Agreement”) wherein the Taxing Bodies each assigned and pledged a security interest in, and agreed to allocate and pay over the Tax Increment Revenues to the Trustee, as assignee of the Authority, for the purpose of financing the Prior Project and other costs associated with the TIF Plan. The Authority assigned its rights in and to the Tax Increment Revenues to the Trustee as security for the Bonds.

### **The TIF District**

The TIF District consists of approximately 25 acres of land in the southwest quadrant of Camelback Road and Massad Road in Tannersville, Pennsylvania, located in Pocono Township (the “Township”) and the County of Monroe, Pennsylvania (the “County”). Below are images of location and the approximate boundaries of the TIF District.



Source: Google Maps.



Source: Google Maps.

## The Taxing Bodies

Real estate taxes in the TIF District are assessed on an annual basis by each of three Taxing Bodies: the County, the Township, and the School District.

The County is located in the Pocono Mountains in eastern Pennsylvania, situated 90 miles north of Philadelphia, 75 miles west of New York and 116 miles northeast of Harrisburg. The County stretches across 611 square miles of rural terrain, rolling hills, and farmlands to the more populated boroughs. The chief governing body within the County is a three-member board of county commissioners. The county commissioners, other elected officers and the county court individually or jointly appoint a number of other county officials and employees needed to carry out county functions by law.

The Township encompasses an area approximately 34 square miles within the center of the County and has a population of 10,884 (as of the 2020 census). As part of the Pocono Mountains, the Township is a residential and business community with areas for commercial and industrial development. The Township operates under the provisions of Pennsylvania's First Class Township Code. The governing body of the Township is the Township Board of Commissioners. The Township Board has five members who are elected for four year terms.

The School District spans approximately 304 square miles within the County and serves a population of approximately 55,000 within seven townships and one borough, including the Borough of Mount Pocono, and the Townships of Barrett, Coolbaugh, Jackson, Paradise, Pocono,

Tobyhanna and Tunkhannock. The School District is governed by 9 individually elected board members (each serving four-year terms).

For a description of the taxing authority of each of the Taxing Bodies, see “SECURITY FOR THE BONDS – Monroe County Real Estate Taxation – General.”

### **The Developer; The Development**

CMBK Resort Holdings, LLC, a Delaware limited liability company (the “Developer”), is the owner of a destination facility consisting principally of a 442,285 square-foot resort hotel facility with 443 guest rooms, meeting facilities, restaurant(s) and related facilities and an adjoining approximately 133,932 square-foot indoor water park, a parking facility for approximately 639 vehicles and related fixtures, furnishings, equipment and improvements (collectively, the “Development”). See “THE DEVELOPER” herein. The Development is a large component of the Camelback Mountain Resort, which consists of a 160-acre ski area and snow tubing facility, a 26- acre outdoor waterpark, an outdoor adventure park, and the Development. The Development and certain other infrastructure improvements and other necessary and related expenditures within the TIF District have been completed. See “THE DEVELOPMENT” herein.

The Developer leases the property within the TIF District on which the Development is located pursuant to a Master Lease, dated August 29, 2013 (as amended, the “Master Lease”), by and between the Developer, as assignee tenant, and EPT Ski Properties, Inc., the owner of such property, as landlord (the “Land Owner”). The Land Owner, an affiliate of EPR Properties, a publicly traded, specialty real estate investment trust (NYSE:EPR) (the “REIT”), owns and/or leases all of the land that comprises the Ski Resort and the Development, and leases that real property to the Developer, pursuant to the Master Lease. See “THE DEVELOPER AND OPERATOR – Master Lease” herein. A portion of the ski trails not located in the TIF District is located on state park land, which is leased to the Land Owner and subleased to the Developer under the Master Lease.

The Tax Increment Revenues pledged by the Taxing Bodies to support repayment of the Bonds under the Cooperation Agreement and the Tax Fund Escrow Agreement (hereinafter defined) are comprised only of incremental tax revenues associated with the Development within the TIF District. See “THE DEVELOPMENT” and APPENDIX A – “Tax Increment Revenue Report” herein.

### **Security for the Bonds**

The Bonds will be solely payable from and secured by a pledge of (i) the proceeds of tax collections resulting from the taxation by each of the Taxing Bodies on the increase, if any, in the assessed value of real property located in the TIF District since its formation on December 1, 2013 (as further described under “SECURITY FOR THE BONDS – Tax Increment Revenues and Cooperation Agreement” herein, the “Tax Increment Revenues”), (ii) all moneys deposited in the Debt Service Fund, the Debt Service Reserve Fund, the Revenue Fund and the Surplus Fund (as described below), each as established under the Indenture, and (iii) the monies held pursuant to the Tax Escrow Fund created under the Tax Fund Escrow Pledge and Security Agreement dated December 12, 2013 (the “Tax Fund Escrow Agreement”) among the Developer, as successor to

CBK Lodge, LP and CBH20, LP, the Trustee and Manufacturers and Traders Trust Company as escrow agent, pledged to the Trustee thereunder. See “SECURITY FOR THE BONDS” herein.

As additional security for the Bonds, a Debt Service Reserve Fund will be established in an amount equal to the Reserve Requirement. The Reserve Requirement is equal to \$754,500\*. See “SECURITY FOR THE BONDS – Debt Service Reserve Fund.”

The Indenture provides for the issuance of additional bonds (“Additional Bonds”) subject to compliance with certain requirements set forth within the Indenture, and subject to compliance with the requirements of the TIF Plan, including, to the extent required, the prior consent of each of the Taxing Bodies, to refund any Outstanding Bonds, to pay the costs incurred in connection with the issuance and sale of such Additional Bonds and to fund the Debt Service Reserve Fund, if reasonably required. Any Supplemental Indenture authorizing the issuance of Additional Bonds may provide that such series of Additional Bonds shall be secured solely by Tax Increment Revenues or by Tax Increment Revenues, or by such alternative or additional collateral as the Authority, with the consent of the Taxing Bodies, may determine. See “THE BONDS – Additional Bonds.”

**THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE PRINCIPAL OF THE BONDS, NOR THE INTEREST ACCRUING THEREON, SHALL EVER CONSTITUTE A GENERAL INDEBTEDNESS OF THE AUTHORITY OR AN INDEBTEDNESS OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER OR SHALL EVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, NOR WILL THE BONDS BE, OR BE DEEMED TO BE, AN OBLIGATION OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF. THE AUTHORITY HAS NO TAXING POWER.**

**No person, including any Bondholder, shall have any claim against the Authority or any of its officers, officials, directors, attorneys, agents or employees, past, present or future (or any of their respective heirs, personal representatives or successors), for damages suffered as a result of the Authority’s failure to perform in any respect any covenant, undertaking, or obligation under any of the Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, or under any constitutional provisions, statute or rule of law, except to the extent that any such claim relates to any obligation, undertaking, representation or covenant of the Authority that is properly payable pursuant to and in accordance with the Acts and any of the Bond Documents (provided that any such claim shall be strictly limited to, and payable only from, the Trust Estate and/or the proceeds of the Bonds that may be made available for such purposes under the Acts). There shall be no other recourse against the Authority. No personal recourse shall be had against any officer, official, director, attorney, agent or**

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\* Preliminary; subject to change.

**employee of the Authority, past present or future (or any of their respective heirs, personal representatives or successors); but nothing herein contained will relieve any such officer, official, director, attorney agent or employee from the performance of any official duty provided by law. Nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the Authority or any of its officers, officials, directors, attorneys, agents or employees to enforce the provisions of any of the Bond Documents.**

### **Enforcement of Taxes; Direct and Overlapping Taxes**

Each of the Taxing Bodies have covenanted in the Cooperation Agreement, for the benefit of the owners of the Bonds (the “Bondholders” or “Holders”), that it will include its component of the pledged Tax Increment Revenues for each fiscal year during the term of the Cooperation Agreement in its budget for that year, transfer such amount in order to secure the Bonds and duly and punctually remit or cause to be remitted its component of the Tax Increment Revenues. The Taxing Bodies have also agreed to take steps to enforce payment of delinquent taxes, as provided by law, with all deliberate speed. The collection of delinquent taxes to be applied and paid over as pledged Tax Increment Revenues will be pursued by the Taxing Bodies in the same manner as the collection of taxes applied to general municipal purposes (provided, however, that any penalty and interest on delinquent taxes imposed and collected by a Taxing Body shall be applied toward the costs of collecting the delinquent taxes and any excess shall be divided *pro rata* between the Taxing Body and the Authority). In the event that any parcel within the TIF District that has been offered for sale for nonpayment of taxes has not been purchased by a private purchaser, each of the Taxing Bodies will use reasonable efforts to continue to offer the property at tax sale until sold to a private purchaser. See “SECURITY FOR THE BONDS – Property Tax Collection Procedures.” The Taxing Bodies are not required, nor do the Taxing Bodies intend, to advance any of their own funds or any other moneys of the Taxing Bodies in the event of a delinquency in the payment of Tax Increment Revenues.

Total direct and overlapping taxes or charges on the property within the TIF District will be comprised of (i) County real property taxes, (ii) Township real property taxes, and (iii) School District real property taxes. The County, Township and School District real property taxes are each derived from the assessed valuation of the real property as determined by the County. Currently, County, Township and School District, real property taxes are 100% of the assessed value of the real property, as determined by the County assessor. See “SECURITY FOR THE BONDS – Monroe County Real Estate Taxation – Tax Rates.”

### **Risk Factors**

The purchase of the Bonds involves significant investor risks. The timely payment of principal and interest on the Bonds from the Tax Increment Revenues is contingent, among other things, upon the continued operation of the Resort (hereinafter defined) and the Developer’s payment of taxes in the TIF District. These risks are described in more detail in “RISK FACTORS.”



## **Limitations Concerning Information Contained Herein**

This Preliminary Official Statement contains brief descriptions of, among other things, the Bonds, the security for the Bonds, risk factors, the TIF District, the Authority, the Developer, the Development and other information, together with summaries of certain provisions of the Bonds and the Indenture. Such descriptions and information do not purport to be complete, comprehensive or definitive. All such descriptions are qualified in their entirety by reference to such documents, copies of which are available for inspection at the office of the Underwriter (if not attached as Appendices hereto). The Appendices hereto are considered an integral part of this Preliminary Official Statement and should be read in their entirety.

## **THE AUTHORITY**

### **Purpose and Powers**

The Authority is a body corporate and politic of the Commonwealth. The Authority's Certificate of Incorporation was issued by the Secretary of the Commonwealth on November 25, 1969, and has a term of existence ending January 26, 2061. Under the Economic Development Financing Law, the Authority is authorized to provide financing for qualifying projects (including, without limitation, industrial facilities, commercial facilities, pollution control facilities and public facilities in the County). The Authority provides such financing by issuing its limited obligation revenue bonds to provide funds to finance such projects. Pursuant to the resolution of the Authority adopted on February 26, 2025, the Authority has approved the Project and authorized the issuance of the Bonds to finance the Project. The Authority has full power and authority to issue the Bonds and to perform its obligations under the Indenture.

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## Organization

The powers of the Authority are vested in and exercised by an eleven member board of directors (the “Authority Board”) appointed by the County. All of the members of the Authority Board are residents of the County and hold office for staggered terms of five years. Officers of the Authority are elected from the Authority Board members. The Authority Board generally meets monthly and determines all policy matters and approves all contracts. The current members of the Authority Board and their respective terms of office are as follows:

| Name              | Position            | Term Expires |
|-------------------|---------------------|--------------|
| Gary Olson        | Chairman            | 12/31/2025   |
| Robert Hay        | Vice Chairman       | 12/31/2025   |
| Brian Coyne       | Secretary           | 12/31/2025   |
| Russell Scott III | Treasurer           | 12/31/2026   |
| Richard Mutchler  | Assistant Secretary | 12/31/2028   |
| Janet Weidensaul  | Assistant Treasurer | 12/31/2028   |
| Patrick Briegel   | Member              | 12/31/2027   |
| Dawn Hart         | Member              | 12/31/2024*  |
| Troy Nauman       | Member              | 12/31/2028   |
| Robert Weseloh    | Member              | 12/31/2027   |
| Vacancy           | Member              |              |

\*Term has expired, but member continues to serve until a successor is appointed pursuant to the provisions of the Economic Development Financing Law and the bylaws of the Authority Board.

## THE BONDS

The Bonds will be issued in the aggregate principal amount, will be dated as of the date, will bear interest from the date of their delivery at the rates, and will mature on the dates set forth on the inside cover page of this Preliminary Official Statement. The Bonds will be issued in fully registered book-entry form, in Authorized Denominations.

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Bonds. So long as the Bonds are held in book-entry form, principal of, premium, if any, and interest on the Bonds will be paid directly to DTC for distribution to the beneficial owners of the Bonds (the “Beneficial Owners”) in accordance with the procedures adopted by DTC. See “THE BONDS – Book-Entry Only System” below. Payments of principal of and interest on the Bonds and premium, if any, will be paid by the Trustee to DTC for subsequent disbursement to DTC participants who will remit such payments to the Beneficial Owners of the Bonds.

Interest on the Bonds will be paid in lawful money of the United States of America semiannually on January 1 and July 1 of each year (each, an “Interest Payment Date”), commencing January 1, 2026. Interest on the Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

## Redemption

### Optional Redemption

The Bonds are not subject to optional redemption prior to their stated maturity.

### Mandatory Sinking Fund Redemption

The Bonds are subject to mandatory sinking fund redemption prior to maturity at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption from mandatory Sinking Fund Installments on July 1 of the following years in the following amounts:

| <u>Year (July 1)</u> | <u>Principal Amount</u> |
|----------------------|-------------------------|
| 2026                 |                         |
| 2027                 |                         |
| 2028                 |                         |
| 2029                 |                         |
| 2030                 |                         |
| 2031                 |                         |
| 2032                 |                         |
| 2033 <sup>†</sup>    |                         |

<sup>†</sup> Final maturity.

The Bonds redeemed as described under “THE BONDS – Redemption, – Mandatory Sinking Fund Redemption” and Bonds purchased by the Trustee from available moneys on deposit with the Trustee in accordance with the Indenture shall be credited to the remaining Sinking Fund Installments in the manner described herein. See “THE BONDS – Redemption – Credits to Sinking Fund Installments from Redemptions and Purchases of Bonds.”

Special Mandatory Redemption. The Bonds are subject to special mandatory redemption in inverse order of maturity (including mandatory sinking fund redemption) on July 1 commencing July 1, 2026, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest thereon to the date set for redemption, in an amount equal to the amount that is on deposit in the Surplus Fund in excess of the Annual Debt Service on the Bonds for the immediately succeeding twelve (12) month period, at least thirty-five (35) days before each such July 1 (or if such date is not a Business Day, the next succeeding day which is a Business Day, and payment on such date shall have the same force and effect as if made on the original payment date was due).

The Bonds are subject to special mandatory redemption, in whole but not in part, on any date if moneys in the Debt Service Fund, the Surplus Fund and the Debt Service Reserve Fund are sufficient to redeem all of the remaining outstanding Bonds at a redemption price equal to one hundred percent (100% of the principal amount thereof plus accrued interest thereon to date of redemption).

### Credits to Sinking Fund Installments from Redemptions and Purchases of Bonds

If (i) the Trustee purchases Term Bonds during any Fiscal Year, (ii) the Authority delivers to the Trustee for cancellation on or before the 45th day next preceding any July 1 on which a Sinking Fund Installment is due Term Bonds subject to redemption from such Sinking Fund Installment, or (iii) Term Bonds subject to redemption from a Sinking Fund Installment are otherwise redeemed during such Fiscal Year, then an amount equal to 100% of the aggregate principal amount of such Bonds so purchased, delivered to the Trustee for cancellation or redeemed, shall be credited against such Sinking Fund Installment. If the aggregate principal amount of Term Bonds of any Series purchased or redeemed in any Fiscal Year is in excess of the Sinking Fund Installment due on such Term Bonds on the immediately succeeding July 1, the Trustee shall credit such excess against subsequent Sinking Fund Installments for such Term Bonds as directed by the Authority.

### **Transfer and Exchange of Bonds**

If any Bond is surrendered to the Trustee at its designated office for transfer or exchange in accordance with the provisions of such Bond, the Authority shall execute and authenticate and the Trustee will authenticate and deliver in exchange for such Bond a new Bond or Bonds of the same Series, in any Authorized Denominations, bearing interest at the same rate and having the same stated maturity date, in the aggregate principal amount equal to the principal amount of the Bond so surrendered, upon reimbursement to the Authority and the Registrar of an amount equal to any tax or other governmental charge required to be paid with respect to such exchange. The Trustee will not be required to register the transfer or exchange of any Bond (i) during the period commencing on a Record Date and ending on the corresponding Interest Payment Date applicable to such Bond, (ii) during the 15 days preceding the date of mailing of any notice of redemption or (iii) at any time after such Bond has been selected for redemption, except as may be otherwise provided in any Supplemental Indenture with respect to a Series of Additional Bonds.

### **Additional Bonds**

The Indenture provides that the Authority may issue from time to time Additional Bonds under and within the limitations and provisions of the Indenture, subject to compliance with the requirements of the TIF Plan, including, to the extent required, the prior consent of each of the Taxing Bodies, to refund or advance refund any Outstanding Bonds, in addition to paying the costs incurred in connection with the issuance and sale of such Additional Bonds and to fund the Debt Service Reserve Fund, if reasonably required. Notwithstanding anything herein or in the Indenture to the contrary, the final maturity date of any Additional Bonds issued pursuant to this Indenture may not be later than December 1, 2033. For purposes of this section, the term “Bonds” includes Additional Bonds.

No Additional Bonds may be issued for the purpose of refunding less than all the then outstanding Bonds unless the Authority will have certified that, after such partial refunding of outstanding Bonds, total Debt Service is projected to be less than total Debt Service prior to such refunding.

Additional Bonds may be authenticated, delivered and paid for in installments of less than the total authorized principal amount of a Series of Bonds from time to time as the Authority may direct in its orders.

The final maturity date of any Additional Bonds issued pursuant to the Indenture may not be later than December 1, 2033.

Each Series of Additional Bonds will share a parity lien on the Trust Estate with, and will be entitled to the same benefit and security of the Indenture as, the Bonds and any other Series of Additional Bonds that may be issued from time to time. Notwithstanding the foregoing, any Supplemental Indenture authorizing the issuance of Additional Bonds may provide that (i) such Series of Additional Bonds will be secured on a parity basis by the Debt Service Reserve Fund maintained for the Bonds, (ii) such Series of Additional Bonds will not be secured by a Debt Service Reserve Fund, or (iii) such Additional Bonds will be secured by a separate Debt Service Reserve Fund.

Any Supplemental Indenture authorizing the issuance of Additional Bonds may provide that such Series of Additional Bonds are secured solely by Tax Increment Revenues, or by such alternative or additional collateral as the Authority, with the consent of the Taxing Bodies, may determine to deliver to the Trustee.

### **Book-Entry Only System**

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payments of principal of and premium, if any, and interest on the Bonds to the Depository Trust Company (“DTC”), New York, New York, its nominee, Direct and Indirect Participants (as defined below) or Beneficial Owners, confirmation of transfer of beneficial ownership interests in the Bonds and other bond-related transactions by and between DTC, Direct and Indirect Participants and Beneficial Owners is based solely on information furnished by DTC. **None of the Authority, the Trustee, nor the Underwriter assume any responsibility for the accuracy or adequacy of the information included in such description.**

At the time of delivery of the Bonds, 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 will be issued in a principal amount equal to the aggregate principal amount of the Bonds, and will be deposited with DTC.

DTC, the world’s largest securities 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, 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 a 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](http://www.dtcc.com).

Purchases of 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 a 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 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and any redemption premium 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 detailed information from the Trustee, on payable date 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, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee or the Authority, 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 depository with respect to the Bonds at any time by giving reasonable notice to the Trustee or the Authority. Under such circumstances, in the event that a successor 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 to DTC.

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

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

**None of the Authority, the Trustee, nor the Underwriter has any responsibility or obligation to the Direct Participants or the Beneficial Owners with respect to (A) the accuracy of any records maintained by DTC or any Participant; (B) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and redemption premium, if any, and interest on the Bonds; (C) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Trust Indenture to be given to Bondholders; or (D) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.**

The Authority and the Trustee cannot give any assurances that DTC will distribute payments of principal of, redemption premium, if any, and interest on the Bonds paid to DTC or its nominee, as the registered owner, or any redemption or other notices, to the Direct Participants

or that they will do so on a timely basis, that Direct Participants or Indirect Participants will distribute to Beneficial Owners any payments or notices received by them or do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references in this Official Statement to the owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners and Cede & Co. will be treated as the only Bondholder of Bonds for all purposes under the Trust Indenture.

The Authority may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Bonds without the consent of Beneficial Owners or Bondholders.

### **The Trustee**

Manufacturers and Traders Trust Company serves as the Trustee for the Bonds under the Indenture. See APPENDIX B – “Form of Indenture” attached hereto for a further description of the rights and obligations of the Trustee pursuant to the Indenture.

### **The Administrator**

MuniCap, Inc. has been appointed by the Authority to serve as the Administrator (the “Administrator”). The Administrator undertakes, for the benefit of the Authority, the Taxing Bodies, the Trustee and the Holders, to perform the duties specified in the Indenture and the Cooperation Agreement. The administrative services provided by the Administrator include, but are not limited to, calculating the allocation of the Tax Increment Revenues and coordination with the Taxing Bodies of transfers of Tax Increment Revenues to the Trustee, maintenance of records of transactions relating to Tax Increment Revenues, provision of information regarding Tax Increment Revenues, Administrative Expenses, debt service payments and fund balances under the Indenture, delinquency management, rebate calculations, and continuing disclosure. See “SECURITY FOR THE BONDS – Tax Increment Revenues and Cooperation Agreement, – Revenue Fund and – Surplus Fund” herein, APPENDIX B – “FORM OF INDENTURE” and APPENDIX D – “FORM OF CONTINUING DISCLOSURE AGREEMENT”.

The Administrator has prepared “APPENDIX A – Tax Increment Revenue Report,” which contains certain Tax Increment Revenue and debt service coverage projections. Prospective purchasers should review both such appendices in their entirety in order to make an informed decision whether to purchase the Bonds.

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## Estimated Sources and Uses of Funds\*

The table below indicates the Sources of Funds and the Uses for which such amounts are expected to be disbursed:

### SOURCES\*

|                                       |                        |
|---------------------------------------|------------------------|
| Par Value of Bonds                    | \$7,545,000.00         |
| Original Issue Discount               | (75,450.00)            |
| Prior Bonds Debt Service Fund         | 426,647.00             |
| Prior Bonds Surplus Fund              | 1,798,825.00           |
| Prior Bonds Debt Service Reserve Fund | <u>1,382,100.00</u>    |
| <b>Total Sources:</b>                 | <b>\$11,077,121.00</b> |

### USES\*

|                                     |                        |
|-------------------------------------|------------------------|
| Refunding of Prior Bonds            | \$9,707,029.00         |
| Costs of Issuance **                | 615,592.00             |
| Debt Service Reserve Fund for Bonds | <u>754,500.00</u>      |
| <b>Total Uses:</b>                  | <b>\$11,077,121.00</b> |

\*\* Includes legal fees, expenses, underwriter's discount, miscellaneous amounts and other fees associated with the issuance of the Bonds

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\* Preliminary; subject to change.



## Debt Service Schedule\*

The following table presents the debt service schedule for the Bonds based on the maturity date and interest rate set forth on the cover of this Preliminary Official Statement.

| July 1 | Principal   | Interest** | Annual Debt Service |
|--------|-------------|------------|---------------------|
| 2026   | \$710,000   | \$332,190  | \$1,042,190         |
| 2027   | \$840,000   | \$341,750  | \$1,181,750         |
| 2028   | \$880,000   | \$299,750  | \$1,179,750         |
| 2029   | \$925,000   | \$255,750  | \$1,180,750         |
| 2030   | \$975,000   | \$209,500  | \$1,184,500         |
| 2031   | \$1,020,000 | \$160,750  | \$1,180,750         |
| 2032   | \$1,070,000 | \$109,750  | \$1,179,750         |
| 2033   | \$1,125,000 | \$56,250   | \$1,181,250         |

\*\* Interest on the Bonds is scheduled to be paid January 1 and July 1, commencing January 1, 2026.

## SECURITY FOR THE BONDS

### General

The Bonds and the interest thereon are secured by and payable solely from the Tax Increment Revenues derived from the property in the TIF District and amounts on deposit in the Tax Escrow Fund under the Tax Fund Escrow Agreement, which are generated by the Development within the TIF District, including any Tax Increment Revenues recovered by the Taxing Bodies from the proceeds of the sale or redemption of any property in the TIF District subject to sale by the any of the Taxing Bodies for nonpayment of property taxes and from amounts held in certain funds pursuant to the Indenture.

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture. For a description of the limitations of remedies available to Bondholders and the Trustee, see APPENDIX B – “Form of Indenture.” The ultimate source of recovery in the event of a default on payment of Tax Increment Revenues is the tax sale provisions described below. See “SECURITY FOR THE BONDS – Property Tax Collection Procedures.”

**THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE PRINCIPAL OF THE BONDS, NOR THE INTEREST ACCRUING THEREON, SHALL EVER CONSTITUTE A GENERAL INDEBTEDNESS OF THE AUTHORITY OR AN INDEBTEDNESS OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER OR SHALL EVER CONSTITUTE OR GIVE RISE TO A**

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\* Preliminary; subject to change.

**PECUNIARY LIABILITY OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, NOR WILL THE BONDS BE, OR BE DEEMED TO BE, AN OBLIGATION OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF. THE AUTHORITY HAS NO TAXING POWER.**

No person, including any Bondholder, shall have any claim against the Authority or any of its officers, officials, directors, attorneys, agents or employees, past, present or future (or any of their respective heirs, personal representatives or successors), for damages suffered as a result of the Authority's failure to perform in any respect any covenant, undertaking, or obligation under any of the Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, or under any constitutional provisions, statute or rule of law, except to the extent that any such claim relates to any obligation, undertaking, representation or covenant of the Authority that is properly payable pursuant to and in accordance with the Acts and any of the Bond Documents (provided that any such claim shall be strictly limited to, and payable only from, the Trust Estate and/or the proceeds of the Bonds that may be made available for such purposes under the Acts). There shall be no other recourse against the Authority. No personal recourse shall be had against any officer, official, director, attorney, agent or employee of the Authority, past present or future (or any of their respective heirs, personal representatives or successors); but nothing herein contained will relieve any such officer, official, director, attorney agent or employee from the performance of any official duty provided by law. Nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the Authority or any of its officers, officials, directors, attorneys, agents or employees to enforce the provisions of any of the Bond Documents.

**THE PURCHASE OF THE BONDS IS AN INVESTMENT SUBJECT TO A HIGH DEGREE OF RISK, INCLUDING THE RISK OF NONPAYMENT OF PRINCIPAL AND INTEREST. SEE "RISK FACTORS" HEREIN FOR A DISCUSSION OF SUCH FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN EVALUATING THE INVESTMENT QUALITY OF THE BONDS.**

## **Monroe County Real Estate Taxation**

### General

The primary source of revenue for Pennsylvania municipalities and school districts is local real estate taxes. Each property owner pays real estate taxes primarily to three separate taxing bodies: the county, the local municipality, and the local school district. The taxing powers of local governments are granted by the particular statutory code (or home rule charter) applicable to the classification of the local government.

*Taxing Powers of Monroe County.* The County, as a County of the Fourth Class, is authorized by the County Code to levy annual tax, for general purposes, at a maximum levy of 25 mills on every dollar of the adjusted valuation, unless the county commissioners by majority action

shall, upon due cause shown by resolution, petition the court of common pleas, in which case the court may order a rate of not more than five mills additional to be levied.

*Taxing Powers of Pocono Township.* The Township, as a Township of the First Class, is authorized by the First Class Township Code to levy annual tax, for general revenue purposes, at a maximum levy of 30 mills on the last adjusted valuation of real property within the Township. There is no limitation on the millage levy for debt service on debt of the Township.

*Taxing Powers of Pocono Mountain School District.* The School District is authorized under the Public School Code, as amended (the “Public School Code”) to levy an annual tax on the assessed value of all taxable real estate, not to exceed 25 mills, for general education purposes, plus an additional, unlimited millage in order to pay salaries and to pay debt service charges for school buildings, subject, however, to certain limitations imposed by The Taxpayer Relief Act (identified below).

Under Pennsylvania Act No. 1 of the Special Session of 2006, as amended by Act 25 of 2011 (together “The Taxpayer Relief Act”), a school district may not, in any fiscal year, increase the rate of any tax for school purposes by more than the Index (defined below), unless in each case either (a) such increase is approved by the voters in the school district at a public referendum or (b) one of the enumerated exceptions contained in The Taxpayer Relief Act is applicable, and the school district’s request to use of an exception is approved by the Pennsylvania Department of Education (“PDE”). If a school district’s petition or request to increase taxes by more than the Index pursuant to one or more of the allowable exceptions is not approved by PDE, the school district may submit the proposed tax increase to a referendum.

The Index (to be determined and reported by PDE by September of each year for application to the following fiscal year) is the average of the percentage increase in the statewide average weekly wage, as determined by the Pennsylvania Department of Labor and Industry for the preceding calendar year, and the employment cost index for elementary and secondary schools, as reported by the federal Bureau of Labor Statistics for the preceding 12-month period beginning July 1 and ending June 30. Upward adjustments to the Index are permitted for certain school districts based upon the State aid ratio.

### Property Assessments

*Assessments.* In the Commonwealth, real estate taxes are based on property assessments established at the county level. The taxes are levied at the rates set by each taxing body, as applied to the assessed valuation determined by the county assessor. The Commonwealth requires that each county maintain a uniform system of property valuation.

The Monroe County Assessment Office (the “Assessment Office”) acts as the assessor for property subject to real estate taxes in the County. Pursuant to the County Code, the Assessment Office values real property based on its current condition using market value as of the most recent County-wide reassessment conducted by the Assessment Office.

The County determines the assessed value of real property using computer assisted mass appraisal software which establishes value using three commonly accepted real estate valuation methods: (i) cost approach (reproduction or replacement value, as applicable, less depreciation);

(ii) sales comparison approach (value is set by price an informed purchaser would pay for comparable property); and (iii) income capitalization approach (value of property is directly related to the income it will generate). The assessed value the County establishes for a property may not be indicative of the market value that property might achieve in the competitive market.

Once the property is valued, the Assessment Office applies its “assessment ratio” to calculate the assessment. The “assessment ratio” is the ratio of assessed value to appraised value as determined by the County. The County may change the assessment ratio without revaluing all the properties, retaining the same base year for market values. Such a change constitutes a County-wide revision of assessments requiring a notice to all property owners.

The most recent County-wide assessment was implemented in 2020 which increased the assessment ratio from 25% to 100% of assessed value. Some properties in the County are assessed at less than 100% of the assessed values due to exemptions. The property in the TIF District is not subject to any exemptions from real estate taxation.

Between County-wide assessments, the Assessment Office reassesses property only when a property is subdivided, there is a change to the physical condition of a property or when a property’s value is appealed. For example, the Assessment Office is required to reassess any improvements which have come into being since the last County-wide assessment. Improvements are evidenced by the issuance of a certificate of occupancy by a municipal building code officer. In addition, an owner who has suffered catastrophic losses to its property may request a reduction to the Assessment Office, which then has a duty to reassess the property. Reassessments can occur throughout the year. The Assessment Office is required to give written notice to owners if there has been any change in the valuation of their property due to a reassessment. Failure of municipalities to remit permitting activity to the County can result in delay or failure to reassess a property. Taxes can only be adjusted for improvements to the preceding January 1 of a reassessment, regardless of when the improvements occurred. The Township typically provides the County a monthly report of certificates of occupancy issued.

*Assessment Appeals.* Property owners may appeal assessments to the County Board of Assessment Appeals (the “Appeals Board”) on the basis of taxability, uniformity or values. School districts and municipalities also have the right to file appeals for properties on the basis of improper assessment. In the County, such appeals are divided into two categories: (i) “annual appeals” for properties for which no change in value from the preceding year has occurred; and (ii) “interim appeals” for properties for which notice of valuation change has been sent. The deadline for filing an annual appeal is August 1 of each year. The deadline for filing an interim appeal is 40 days from the date of the notice of valuation change. The decision of the Appeals Board may be appealed to the Court of Common Pleas. An appeal does not prevent the collection of taxes based upon the assessment. In the event an assessment is reduced through the appeal process, the excess tax collected is to be returned to the taxpayer.

On appeal, the assessment ratio is applied to the market value of the property, unless there is a difference of more than 15% from the assessment ratio and the “common level ratio” as established by the Commonwealth of Pennsylvania Tax Equalization Board (the “Tax Equalization Board”), in which case, the “common level ratio” is to be applied. The “common level ratio” is the ratio of the assessed value to the current market value used generally in the County as last

determined by the Tax Equalization Board. The assessment ratio in the County is currently 100% of assessed value; the current common level ratio factor is 2.00 and is in effect until June 30, 2025.

Another tax increment financing district, known as the Tobyhanna Township Tax Increment Financing District, is located within the County. Kalahari Resorts, LLC has filed multiple appeals of the assessed value of certain property located in the Tobyhanna Township Tax Increment Financing District under the above-described procedures. These appeals have resulted in a decrease in the total assessed valuation of the property located in the Tobyhanna Township Tax Increment Financing District. Accordingly, the tax increment revenues available for debt service on the debt issued to finance improvements within the Tobyhanna Township Tax Increment Financing District has been reduced as a result of such appeals.

Because repayment of debt service on the Bonds is secured solely by the Tax Increment Revenues collected from the Development, if the Developer appeals the assessed value of the property located within the TIF District during the term of the TIF District, Tax Increment Revenues available for debt service on the Bonds may be reduced. For additional information, see “APPENDIX A - Tax Increment Revenue Report – Tax Assessment Procedures – Appeals”.

### Tax Rates

The County Commissioners and the Township Commissioners set their respective tax rates during the annual budget process once each year. The County and the Township typically set their millage rates by December 31. The School District sets its rate each year by June 30.

The current and historical millage rates for the County, the Township and the School District are set forth in the table below.

### **Real Estate Tax Levies (millage per \$1000 of assessed value)**

| <u>Year</u> | <u>County</u> | <u>Township</u> | <u>School District</u> | <u>Total*</u> |
|-------------|---------------|-----------------|------------------------|---------------|
| 2020        | 3.23          | 2.28            | 19.91                  | 25.41         |
| 2021        | 3.23          | 2.53            | 19.91                  | 25.66         |
| 2022        | 3.23          | 2.80            | 20.35                  | 26.38         |
| 2023        | 3.23          | 3.80            | 21.44                  | 28.47         |
| 2024        | 3.98          | 3.82            | 22.25                  | 30.04         |
| 2025        | 5.48          | 3.92            | 23.25                  | 32.64         |

Source: Pocono Township.

\* Totals may not add due to rounding.

## **Property Tax Collection Procedures**

### County Tax Collection Procedures

*Tax Collection.* The County real estate taxes are billed and collected by the Township tax collector (the “Tax Collector”). The County levies and collects taxes on a calendar year basis. Real estate tax bills are mailed by March 1 of each year based on property’s assessed value as of

as of the time of mailing. Owners may choose to pay their tax bill in full and a discount is applicable if the bill is paid early. The due dates are as follows:

|          |   |
|----------|---|
| April 30 | Owners paying in full by this date receive a 2% discount. |
| June 30  | Owners may pay in full by this date without penalty.      |

*Penalties.* Commencing on July 1, owners incur a 10% penalty on all overdue taxes through the end of the calendar year.

#### Township Tax Collection Procedures

*Tax Collection.* The Township real estate taxes are collected by the Tax Collector. The Township levies and collects taxes on a calendar year basis. Real estate tax bills are combined with the County real estate tax bills which are mailed by March 1 of each year based on property's assessed value as of the preceding January 1. As with the County, a discount is applicable if the bill is paid early. The due dates are the same as for the County and are as follows:

|          |   |
|----------|---|
| April 30 | Owners paying in full by this date receive a 2% discount. |
| June 30  | Owners may pay in full by this date without penalty.      |

*Penalties.* Commencing on July 1, owners incur a 10% penalty on all overdue taxes through the end of the calendar year.

#### School District Tax Collection Procedures

*Tax Collection.* The School District real estate taxes are collected by the Tax Collector. Unlike the County and the Township, which both levy and collect taxes on a calendar year basis, the School District levies and collects taxes on a fiscal year basis that runs from July 1 through June 30. Real estate tax bills are mailed to all owners of property located within the School District on or before August 1 of each year and are based on a property's assessed value as of July 1. As with the County and the Township, a 2% discount is applicable if the bill is paid early. Unlike the County and the Township, the School District also offers an installment plan option that allows taxpayers to pay in three installments, with the first installment being due August 31. The 2% discount is not applicable to installment payments. Once the first installment is made, the taxpayer must remit remaining payments. The due dates are as follows:

|              |   |
|--------------|---|
| August 31    | First installment due for owners paying in installments.  |
| September 30 | Owners paying in full by this date receive a 2% discount. |
| October 31   | Second installment due for owners paying in installments. |
| November 30  | Owners may pay in full by this date without penalty.      |
| December 31  | Final installment due for owners paying in installments.  |

*Penalties.* Owners paying in full incur a 10% penalty on all overdue taxes commencing on December 1. If an owner does not make a payment on the first installment due date, the owner is assumed to be paying in full and is subject to the penalty for not paying in full by November 30. Owners paying in installments incur penalties of 10% if the second and third installment payments are past due.

### Collection of Delinquent Taxes

At the end of the calendar year, each of the County, the Township and the School District turns its collection efforts over to the County's Tax Claim Bureau (the "Tax Claim Bureau") for any delinquent real property taxes. The Tax Claim Bureau uses methods for collection of delinquent taxes and tax sales provided by the Pennsylvania Real Estate Tax Sale Law, P.L. 1368, No. 542, as amended (the "Tax Sale Act"). Once collection efforts are turned over to the County, any fees collected on delinquent amounts of Township real property taxes and School District real property taxes are retained by the County.

The Tax Claim Bureau first attempts to work with owners to create an installment plan for payment of delinquent taxes. If such plan is not negotiated or if the owner does not maintain the plan, the County will hold a tax sale. A tax sale is typically held in September in the year following the year in which the property began to incur interest penalties (approximately a two-year time period from the date real property taxes become delinquent). For example, delinquent real property taxes as of December 31, 2024 would begin accruing interest penalties February 1, 2025, with the property going to tax sale September 2027.

The first such sale is referred to as an "Upset Sale," and occurs following notice to the owner and postings of a notice of the impending sale in two newspapers of general circulation and the Monroe County Legal Reporter at least ten days prior to the sale. The Upset Sale is a competitive auction under which prospective buyers bid on the property. While the winning bidder will receive title to the property, the winning bidder will be vested with any mortgage liens, judgments, or other encumbrances on the property.

The "Upset Price," or the minimum bid price, includes the claim for current and delinquent real estate taxes, realty transfer taxes and deed recording fees, corporation tax claims of the Commonwealth, municipal claims, and costs of notice and sale. The owner or any lien creditor may, prior to the sale, pay the delinquent taxes in full to discharge the tax claim. Alternatively, the owner or any lien creditor may enter into an agreement with the Tax Claim Bureau to pay the taxes, charges and interest in installments. There is, however, no right of redemption after the property is sold.

The owner may file objections to the sale following its confirmation. The owner may question the regularity or legality of the sale, including notice of the sale, but may not raise the legality of the taxes. After the court has confirmed the sale, the Tax Claim Bureau executes and records a deed for the property to the successful bidder.

If the Upset Price is not met at the Upset Sale, the Tax Claim Bureau may file a "Petition to Show Cause" with the Court of Common Pleas within three months of the Upset Sale, enabling the County to sell the property through a "Judicial Sale." Provided statutory requirements for adequate public notice and adequate service to the owner have been met, the property is auctioned, with the highest bidder purchasing the property free and clear of all tax and municipal claims, mortgages, liens, charges and estates.

## **Tax Increment Revenues and Cooperation Agreement**

### General

The Bonds are secured primarily by the Tax Increment Revenues. Pursuant to the TIF Act, the Cooperation Agreement and the Indenture, all Tax Increment Revenues collected are pledged by the Taxing Bodies to secure the Bonds and shall be deposited into the Tax Increment Account of the Revenue Fund. As provided in the Cooperation Agreement, the Tax Increment Revenues are comprised of 100% of the incremental real property tax revenues collected within the TIF District, less the base assessed value.

The base assessed value of the real property in the TIF District, being the value on December 1, 2013, was \$53,860. Due to the County-wide reassessment in 2020, the base value was adjusted to represent the base value that would result in the same total of taxes to the taxing bodies if the reassessment had not occurred. The base value was adjusted after the reassessment in 2020. The updated base value is \$391,310 (the “Tax Increment Base”).

### Pledge of Tax Increment Revenues

Under the Cooperation Agreement, each of the Taxing Bodies assigned and pledged a security interest in, and agreed to budget for, allocate and pay over (or cause to be paid over) to the Trustee, as assignee of the Authority, for each year during the term of the TIF District and while any Bonds remain outstanding, the Tax Increment Revenues. The Tax Increment Revenues with respect to each Taxing Body consist of 100% of the real estate tax revenues realized from the product of the millage rate then in effect with respect to real property within such Taxing Body’s locality and the total assessed value of the Development within the TIF District less the Tax Increment Base.

### Notice, Collection and Transfer of Tax Increment Revenues

Under the Cooperation Agreement, the Taxing Bodies, on or before the third month of their respective fiscal years, give the Authority notice of the current real estate assessment, the current assessment ratio with respect to the Development within the TIF District, and their respective current real estate tax millage. Further, each Taxing Body will provide the Authority written notice of any duplicate that is issued following an interim assessment after being certified as accurate by the Taxing Body pursuant to Section 2 of the Local Tax Collection Law.

The Tax Collector provides to the Administrator and the Authority a copy of the real estate tax bill when mailed to the property owner, and notice of its receipt of, and amount of, tax moneys allocable to the Development at the end of each calendar quarter. On or before May 31 of each year with respect to the County and the Township, and October 31 with respect to the School District, the Administrator will direct each Taxing Body as to the annual amount of Tax Increment Revenues to be transferred to the Trustee for deposit into the Tax Increment Account of the Revenue Fund under the Indenture. The Taxing Bodies will disburse such amounts as directed by the Administrator no later than 15 days following receipt of such written direction.



The Taxing Bodies will also provide to the Authority an annual reconciliation of tax payments received versus the amounts set forth in their respective real estate tax bills for each tax parcel in the TIF District.

## **Revenue Fund**

The Revenue Fund is held in trust by the Trustee for the benefit of the holders of the Bonds and, pending disbursement, will be subject to a lien in favor of the holders of the Bonds and the Authority.

Tax Increment Revenues and any Tax Escrow Funds received by the Escrow Agent under the Tax Fund Escrow Agreement will be deposited into the Tax Increment Account within the Revenue Fund. Tax Increment Revenues include the incremental tax revenues that would be paid to the respective Taxing Bodies, but will be pledged to the Authority by the respective Taxing Bodies pursuant to the Cooperation Agreement, interest thereon and proceeds of the redemption or the sale of property sold as a result of foreclosure of the lien of the respective Taxing Bodies' property taxes to the amount of said lien and interest thereon, including any penalties collected, in connection with delinquent property taxes, in each case to the extent allocable to the incremental tax revenues pledged to the Authority by the Taxing Bodies.

On each Interest Payment Date, on each date on which the principal or Redemption Price of any Bonds becomes due and on any other date required for the payment of any other obligations relating to the TIF District, the Trustee shall transfer, from the Tax Increment Account, the following amounts to the following funds in the following order of priority:

- First: to the Rebate Fund, when needed, an amount sufficient to pay rebate, if any, to the United States of America, owed under Section 148 of the Code, as directed in writing by the Authority;
- Second: to the Administrative Expense Fund, such amount as shall be directed in writing by the Administrator to be necessary to pay any Administrative Expenses then due and owing.
- Third: to the Debt Service Fund, the amount necessary, taking into account first, any amounts then on deposit in the Debt Service Fund, second, any amounts then on deposit in the Surplus Fund and available for transfer to the Debt Service Fund, and third, any amounts then on deposit in the Debt Service Reserve Fund available for transfer to the Debt Service Fund, to make the amount in the Debt Service Fund equal to the principal or Sinking Fund Installment, premium, if any, and interest due on the Bonds on such date; and
- Fourth: to the Debt Service Reserve Fund, the amount necessary, taking into account amounts then on deposit in the Debt Service Reserve Fund and any amounts then on deposit in the Surplus Fund and available for transfer to the Debt Service Reserve Fund (after giving effect to any amount required to be transferred from the Debt Service Reserve Fund to the Debt Service Fund), to make the amount in the Debt Service Reserve Fund equal the Reserve Requirement.

The Trustee will determine the balance in the Revenue Fund as of each June 15 and December 15 and to obtain from the Administrator an estimate of the Administrative Expenses estimated to be due and payable on each of the two Interest Payment Dates next succeeding each such June 15 and December 15. In the event that the balance in the Revenue Fund, together with any available balance in the Surplus Fund, is determined by the Trustee to be insufficient to timely make the payments and transfers required by this section, the Trustee will provide immediate written notice of such determination to the Authority.

On July 15 of each year, after payment of all principal or Sinking Fund Installments and interest due on the Bonds outstanding on such date and any transfers to the Rebate Fund, the Debt Service Reserve Fund and the Administrative Expense Fund required above, any balances on deposit in the Tax Increment Account are to be transferred to the Surplus Fund.

### **Debt Service Reserve Fund**

The Indenture provides that the Debt Service Reserve Fund must be maintained in an amount equal to the Reserve Requirement. The Indenture provides that the Reserve Requirement, (A) with respect to the Bonds means an amount equal to the least of (i) ten percent (10%) of the stated principal amount of the Bonds, (ii) Maximum Annual Debt Service on the Bonds and (iii) one hundred twenty five percent (125%) of the average Annual Debt Service on the Bonds, and (B) when used with respect to any Additional Bonds or any separate Debt Service Reserve Fund established for any Series of Additional Bonds in accordance with the Indenture, the amount set forth in the First Supplemental Indenture providing for the issuance of such Additional Bonds or the creation of a separate Debt Service Reserve Fund for such Additional Bonds. The Reserve Requirement with respect to the Bonds is \$754,500\*.

If on any Interest Payment Date or any date on which the principal amount of or any Sinking Fund Installment for any Bond becomes due the sum of the amount on deposit in the Debt Service Fund and the amount available to be transferred to the Debt Service Fund from the Surplus Fund is less than the sum of the principal of, the Sinking Fund Installment for, and the interest on the Bonds due on such date, the Trustee will transfer moneys promptly from the Debt Service Reserve Fund to the Debt Service Fund, to the extent necessary to cure any deficiency.

The Trustee will determine the value of the assets of the Debt Service Reserve Fund on each Interest Payment Date and on any other date at the Order of an Authorized Officer. If the amount in the Debt Service Reserve Fund exceeds the Reserve Requirement, the Trustee will provide written notice to the Authority of the amount of the excess and will transfer the excess from the Debt Service Reserve Fund to the Debt Service Fund.

Whenever the balance in the Debt Service Reserve Fund equals or exceeds the amount required to redeem or pay all Outstanding Bonds secured thereby, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, upon an Order of the Authority, the Trustee will transfer the amount in the Debt Service Reserve Fund to the Debt Service Fund as shall be specified by the Authority. In the event that the amount so transferred to

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\* Preliminary; subject to change.

the Debt Service Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the amount of the excess will first be applied to the payment of any outstanding Administrative Expenses and then be transferred at the Order of the Authority, *pro rata* to the Taxing Bodies, free and clear of the lien of the Indenture. Notwithstanding the foregoing, no amounts shall be transferred from the Debt Service Reserve Fund pursuant to this paragraph until after the calculation of any rebate payments due to the federal government pursuant to the Indenture following payment of the Bonds secured thereby and withdrawal of any such amount from the Debt Service Reserve Fund for purposes of making such payment.

Notwithstanding anything in the Original Indenture to the contrary, so long as the Bonds are Outstanding, following any withdrawal from the Debt Service Reserve Fund, the Authority shall cause to be deposited to the credit of the Debt Service Reserve Fund, whether through a transfer from the Revenue Fund under Section 4.03(b) of the Original Indenture or from the Surplus Fund under Section 4.09(a) of the Original Indenture, such amounts as will be sufficient to restore within a twelve month period from the date of any such withdrawal, any deficiencies in the Reserve Requirement resulting from a withdrawal from the Debt Service Reserve Fund.

### **Surplus Fund**

On July 15 of each year, the Trustee shall deposit into the Surplus Fund any moneys transferred from the Tax Increment Account of the Revenue Fund after payment of all principal and interest due on the Bonds outstanding and any transfers to the Rebate Fund, the Debt Service Reserve Fund and the Administrative Expense Fund required under the Indenture, as described under “Revenue Fund” above. Moneys in the Surplus Fund shall be transferred on each Interest Payment Date: (i) first, to the Rebate Fund, when needed, an amount sufficient to pay rebate, if any, to the United States of America, owed under Section 148 of the Code, as directed in writing by the Authority; (ii) second, to the Administrative Expense Fund to the extent that the amount on deposit in the Administrative Expense Fund is insufficient to pay all Administrative Expenses then due and owing; (iii) third, to the Debt Service Fund, to the extent necessary, taking into consideration amounts then on deposit in the Debt Service Fund, to provide sufficient funds to pay Debt Service on such Interest Payment Date; and (iv) to the Debt Service Reserve Fund, to the extent necessary to cause the amount on deposit in the Debt Service Reserve Fund to equal the Reserve Requirement.

If, after making the foregoing transfers, the amount remaining in the Surplus Fund exceeds Annual Debt Service on the Bonds for the immediately succeeding twelve (12) month period, the Administrator shall provide written notice thereof to the Trustee and the Issuer of the amount available in the Surplus Fund, which moneys in the Surplus Fund shall be used pursuant to the Special Mandatory Redemption provision described herein under “THE BONDS – Redemption – Special Mandatory Redemption”. Moneys in the Surplus Fund also may be used to pay the last Bonds becoming due and any Bonds that are past due at such time (which may include principal as well as interest) unless such Bonds and all interest thereon are otherwise paid. Earnings on amounts on deposit in the Surplus Fund shall remain in such fund.

After payment in full of the principal of and interest on the Bonds (or provision has been made for the payment thereof as specified in the First Supplemental Indenture), and the fees, charges and expenses of the Trustee and any Paying Agent and any other amounts required to be

paid under the Indenture, all amounts remaining in the Surplus Fund will be paid over to the Taxing Bodies *pro rata* based upon their respective millage rates upon receipt of and as set forth in an Order from the Issuer.

### **Permitted Investments**

Certain funds and accounts established under the Indenture are held by the Trustee. Moneys in the funds and accounts created by the Indenture shall be invested in Permitted Investments which shall be deemed at all times to be a part of such funds and accounts. See APPENDIX B – “Form of Indenture” for descriptions of the Permitted Investments.

Any income realized or loss resulting from Permitted Investments shall be credited or charged to the fund or account from which such investment was made, except that investment earnings in excess of the Reserve Requirement, in the event that the Debt Service Reserve Fund is funded with cash or securities, shall be applied for the purposes and in the order of priority described above. See “SECURITY FOR THE BONDS – Debt Service Reserve Fund.”

### **Developer Not Liable for Bonds**

Neither the Developer, any affiliate thereof nor any partner, officer, director, agent, or representative thereof has pledged its credit or assets or has provided any guarantee, surety or undertaking of any kind, to pay the principal of, premium (if any) and interest on, the Bonds, although the foregoing does not limit or release any obligation of the Developer or any other person to pay any ad valorem tax applicable to property in the TIF District owned by such person.

## **THE DEVELOPMENT**

Certain of the following information is beyond the direct knowledge of the Authority, and the Authority has no way of guaranteeing the accuracy of all of the following information. No representation is made by the Authority as to the accuracy, completeness or adequacy of the following information or the absence of material changes in such information from the date of this Preliminary Official Statement.

### **General**

The Developer owns the existing Camelback Mountain Resort (excluding ownership of the land, the “Resort”) located on Camelback Mountain in Pennsylvania’s Poconos region. The Resort consists of a 160-acre ski area and snow tubing facility, a 26- acre outdoor waterpark, an outdoor adventure park, and the Development. The Resort opened in 1963. The Developer began operating the Resort in 2019. In addition to ski trails, the Resort includes a tubing facility and outdoor waterpark known as Camelbeach (hereinafter defined). In 2010, an Adventure Park was constructed, which includes Treetop Adventure Courses, Zip Lines and a mountain coaster to the resort.

The Development is central to the Resort and serves as a portal to the Resort. The Development includes a 442,285 square-foot hotel facility with 443 guest rooms, an approximate 20,000 square foot conference center, an approximate 134,000 square foot indoor waterpark, an approximate 28,000 square foot family entertainment center with rentable party rooms and an

approximate 4,200 square foot spa and fitness center, a parking facility for approximately 639 vehicles, and approximately 18,000 square feet of dining via five distinct dining options, consisting of a main restaurant for family-friendly meals with an attached, large lobby bar overlooking the indoor waterpark; a cafeteria-style grill; a restaurant/bar with ski-in/ski-out access and outdoor patio tailored for the après-ski experience; and 2 full-service bars within the indoor waterpark. The Development was completed prior to Developer's acquisition of the Development and Resort in 2019.

### *Photographs of the Development*



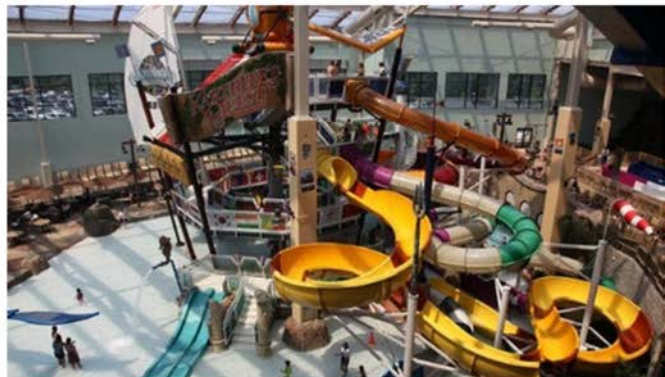
*Photo of the exterior of Camelback Lodge*



*Aerial photo at night of Aquatopia Indoor Waterpark and Camelback Lodge*



*Photo of a portion of the interior of Aquatopia Indoor Waterpark*



*Photo of a portion of the interior of Aquatopia Indoor Waterpark*

Source: MuniCap, Inc.

A portion of the Resort, excluding the Development, has winter attractions including 160 acres of skiable terrain, 14 ski lifts, 34 trails, a 20-lane snow tubing facility and a mountain coaster. Summer guests at the Resort can enjoy Camelbeach Mountain Waterpark ("Camelbeach"), a 26-acre outdoor waterpark, and Mountain Adventures, a state-of-the-art adventure park offering a variety of interactive mountain attractions. The outdoor Camelbeach waterpark opened in 1998 and the season for this outdoor facility typically lasts from June through September. Camelbeach features 37 water slides at the base of Camelback Mountain. Mountain Adventures consists of rope courses, zip lines, tubing, UTV tours, a mountain coaster and disc golf.

Below are maps of the Resort, which constitute the Development, highlighted and outlined in yellow.



## Resort Map (Summer)



Source: The Developer.

## Resort Map (Winter)



Source: The Developer.

### ***Resort Aerial Photo***



Source: Monroe County.

Adjacent to the Development site is Big Pocono State Park, featuring more than 1,306 acres of pristine nature with outdoor activities that include horseback riding, trout fishing, hiking and mountain biking. Other attractions within a 25-mile radius include the Mount Airy Casino Resort, Pocono Raceway, The Crossings Premium Outlets (a Simon Property Group owned development with over 100 designer stores) and more than 30 golf courses.

## **DEVELOPER AND OPERATOR**

### **General**

The Developer, CMBK Resort Holdings, LLC, is the owner of the Development and the Resort. The Development and Resort are operated by KSL Camelback Management, LLC (“Manager”).

The Development and Resort currently averages over a million visitors annually. Below is a table describing visitor activity for the years 2023 and 2024.

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|   | <u>2023</u>    | <u>2024</u>    |
|---|----------------|----------------|
| <b>Hotel*</b>                                 |                |                |
| Non-Group Room Nights                         | 85,823         | 85,945         |
| Group Room Nights                             | 8,927          | 13,187         |
| <b>Total Hotel Room Nights</b>                | <b>94,750</b>  | <b>99,132</b>  |
| <i>Available Room Nights**</i>                | <i>161,695</i> | <i>161,695</i> |
| <i>Occupancy</i>                              | <i>58.6%</i>   | <i>61.3%</i>   |
| <br><b>Aquatopia Indoor Waterpark*</b>        |                |                |
| Hotel Guest Admissions                        | 114,747        | 115,835        |
| Non-Hotel Guest Admission                     | 78,971         | 77,259         |
| <b>Total Admissions</b>                       | <b>193,718</b> | <b>193,094</b> |
| <br><b>Camelbeach Outdoor Waterpark</b>       |                |                |
| Hotel Guest Admissions                        | 27,387         | 26,330         |
| Non-Hotel Guest Admission                     | 167,566        | 168,324        |
| <b>Total Admissions</b>                       | <b>194,953</b> | <b>194,654</b> |
| <br><b>Ski Admissions</b>                     | <b>270,299</b> | <b>251,012</b> |
| <b>Camelback Mountain Adventures Visitors</b> | <b>88,490</b>  | <b>96,457</b>  |
| <b>Tubing Admissions</b>                      | <b>121,711</b> | <b>110,351</b> |
| <b>Total Resort Admissions</b>                | <b>869,171</b> | <b>845,568</b> |

\* Included within the Development.

\*\* Calculated by the Underwriter based on 443 guest rooms and 365 available nights.

Source: Information provided by the Developer.

## Experience of the Developer and Manager

The leadership team includes the following:

Kit Pappas, who serves as area managing director of the Development and Resort and has over 35 years of experience in the hospitality industry.

Mary Popovich, vice president of human resources, who has been with the Development and Resort since 2018.

Erick Mezzina, who is director of mountain operations at the Resort, and has been with the Resort since 2001.

Jimmy Palomino, who serves as the CFO of the Development and Resort and has 15 years of hospitality experience including service as Director of FP&A at Club Quarters prior to joining Camelback.

Clinton Frantz, Vice President of Facilities who has been employed at Camelback since 2015.



Ryan Smith, Vice President of Recreation, who has been employed at Camelback since 2015.

Angela Lustig, Director of Sales at Camelback since 2023 and has over 16 years of hospitality sales experience.

### **Master Lease**

The Land Owner, an affiliate of EPR Properties, a publicly traded, specialty real estate investment trust (NYSE:EPR) (the “REIT”), owns all of the land that comprises the Ski Resort and the Development, and leases the property back to the Developer pursuant to the Master Lease.

In 2019, the original lessees, CBK Lodge, LP and CBH20, LP, agreed to transfer all of their rights, title and interest under the Master Lease to the Developer, and the Developer, as assignee, agreed, subject to the terms of a certain Master Assignment, Assumption and Novation, dated for convenience as of July 23, 2019, but effective as of July 25, 2019, by and among, CBK Lodge, LP and CBH20, LP, collectively as assignor, the Developer, as assignee, the Trustee, the Authority, ORIX Public Finance, LLC, as purchaser of the Prior Bonds and EPR Camelback, LLC, as lender, to accept the same from the date of transfer. In addition, the Developer agreed to assume and undertake certain duties, obligations and covenants of CBK Lodge, LP and CBH20, LP with respect to the Indenture, the Prior Bonds and certain other documents and agreements.

## **MARKET AND COMPETITION**

### **Destination Waterpark Hotel Market Segment**

Indoor waterpark resorts within the hotel industry began in the U.S. in 1994 at the Polynesian Hotel in the Wisconsin Dells. These properties fundamentally combine a hotel facility with an enclosed aquatic recreational facility inclusive of amenities such as slides, tubes, and a variety of indoor water play features for the use of hotel guests and, in some cases, the general public. The scope of these properties varies widely, though bona-fide “destination” indoor waterpark resorts are typically described as having at least 30,000 square feet of indoor waterpark space.

The primary target market for indoor waterpark resorts is families with young children, which they attract on a year-round basis. Indoor waterpark resorts are marketed as affordable, accessible, “getaway” or vacation destinations offering a wide variety of on-site recreational opportunities for both children and adults. Indoor waterpark resorts are predominantly drive-to destinations which draw demand from within a roughly three-hour drive radius. Generally, when children are not in school, which encompasses weekends, holidays and school vacation periods, indoor waterpark resorts have tended to experience some of their higher booking rates and occupancy levels. Some indoor waterpark resorts supplement this core demand base by targeting group business during off-peak periods, particularly in the spring and fall months.

## **Competition**

The Pocono Mountains region has long been a well-recognized seasonal recreational destination. The Pocono Mountains Vacation Bureau tracks visitation to a variety of attractions offered in the region.

There are competitors of the Resort. Kalahari Resort and Great Wolf Lodge have helped expand the scope of recreational activities that the Pocono Mountains region offers. The Kalahari resort opened in 2015 and is comprised of a convention center including an approximate 260,000-square-foot indoor waterpark, an indoor theme park, hotel rooms, convention and meeting space, retail shops, a spa and fitness center, full-service restaurants/lounges and snack bars, as well as an outdoor waterpark, a multi-acre outdoor adventure park featuring zip lines, mini golf, ropes course and rock climbing. Aquatopia is a 125,000-square-foot year-round waterpark with over a dozen indoor water slides and a wave pool. Great Wolf Poconos is a fully enclosed, year-round waterpark opened in 2005, and its 78,000 square-foot park offers eleven waterslides, six swimming pools and a four-story “fort” water activity structure. Great Wolf also is a hotel complex with 401 guest suites and a full-service spa. Great Wolf’s business model does not include open-to-the-public opportunities, as only Hotel guests can use the waterpark and amenities. Split Rock Resort’s 53,000 square foot indoor waterpark opened in 2008. This facility offers five water slides, an activity pool and snack bar and is open to both resort guests and the general public.

Additional waterpark resort facilities may be developed in the Poconos region, of varying types and sizes, some at existing or closed resort sites, and in other nearby locations.

Additionally, there are multiple “off property” hospitality options near the Resort, including hotels and short-term rental units.

## **TAX INCREMENT REVENUES**

### **The Consultant**

MuniCap, Inc., the Consultant, prepared the Tax Increment Revenue Report attached hereto as APPENDIX A.

The Consultant is a public finance consulting firm with a specialized practice providing services related to the formation and administration of special districts. These services include the preparation of tax increment projections, continuing disclosure and financial services related to the administration of tax increment district. The Consultant provides administration services to other tax increment districts in Pennsylvania as well as numerous other special districts in other states. The Consultant’s main office is located in Columbia, Maryland.

### **Historical Assessed Values and Tax Increment Revenues**

Tax Increment Revenues have been sufficient to pay all of the annual debt service on the Prior Bonds. See “APPENDIX A – Tax Increment Revenue Report” for a summary of historical assessed values and Tax Increment Revenues. For a description of the current and historical tax rates in the County, see “SECURITY FOR THE BONDS – Monroe County Real Estate Taxation – Tax Rates” and APPENDIX A – “Tax Increment Revenue Report”.

Tax Increment Revenues will be pledged, as described herein, to pay annual debt service on the Bonds. The timely payment of debt service on the Bonds depends on the willingness and ability of the Land Owner to pay real property taxes when due. See “RISK FACTORS – Dependence on Tax Increment” herein. In addition, the Land Owner has the ability to appeal the assessment as described under “SECURITY FOR THE BONDS – Monroe County Real Estate Taxation – Property Assessments – Assessment Appeals” and in “APPENDIX A “Tax Increment Revenue Report – Tax Assessment Procedures – Appeals”.

Another County-wide reassessment may occur during 2026 or 2027. Following such reassessment, the County expects that updated assessed values will be available for the tax year beginning in 2028. For any County-wide reassessment, the Tax Increment Base value will be adjusted to represent the base value that would result in the same total of taxes to the taxing bodies if the reassessment had not occurred. Future County-wide reassessments will impact future assessed values and the nature of such impact is unknown at this time.

### **Expected Tax Increment Revenues; Projected Debt Service Coverage**

A detailed projection of the Tax Increment Revenues and projected debt service coverage on the Bonds is found in the Tax Increment Revenue Report attached hereto as APPENDIX A. The tables below show the projected Tax Increment Revenues and debt service coverage for the Development using Scenario A and Scenario B projections from the Tax Increment Revenue Report.

Scenario A projections are based on the following assumptions: (a) assessed values remain static through the scheduled maturity of the Bonds; (b) the County, the Township and the School District real estate tax rates increase annually at 2.0%; (c) all tax levies (including incremental tax revenues) are subject to an annual 2.0% discount based on payment timelines, and (d) 100% of the tax increment collected from the Development is available to pay debt service through the scheduled maturity of the Bonds. Scenario B projections are based on the same assumptions used for Scenario A, except that, in addition to property values, tax levy rates remain static through the scheduled maturity of the Bonds. For a description of the current and historical tax rates in the County “SECURITY FOR THE BONDS – Monroe County Real Estate Taxation – Tax Rates” and APPENDIX A – “Tax Increment Revenue Report”.

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### Scenario A

| Bond Year<br>Ending | Refunding<br>Debt<br>Service <sup>(1)</sup> | TIF Revenues<br>Available for<br>Debt Service <sup>(2)</sup> | Surplus<br>(Deficit) | Cumulative<br>Surplus | Debt<br>Service<br>Coverage |
|---------------------|---|--|----------------------|-----------------------|-----------------------------|
| 2026                | \$1,042,190                                 | \$2,034,729  | \$992,539            | \$992,539             | 195%                        |
| 2027                | \$1,181,750                                 | \$2,075,423  | \$893,673            | \$1,886,212           | 176%                        |
| 2028                | \$1,179,750                                 | \$2,116,932  | \$937,182            | \$2,823,394           | 179%                        |
| 2029                | \$1,180,750                                 | \$2,159,270  | \$978,520            | \$3,801,915           | 183%                        |
| 2030                | \$1,184,500                                 | \$2,202,456  | \$1,017,956          | \$4,819,870           | 186%                        |
| 2031                | \$1,180,750                                 | \$2,246,505  | \$1,065,755          | \$5,885,625           | 190%                        |
| 2032                | \$1,179,750                                 | \$2,291,435  | \$1,111,685          | \$6,997,310           | 194%                        |
| 2033                | \$426,750                                   | \$2,337,264  | \$1,910,514          | \$8,907,824           | 548%                        |
| Total               | \$8,556,190                                 | \$17,464,014   | \$8,907,824          |                       |                             |

### Scenario B

| Bond Year<br>Ending | Refunding<br>Debt<br>Service <sup>(1)</sup> | TIF Revenues<br>Available for<br>Debt Service <sup>(2)</sup> | Surplus<br>(Deficit) | Cumulative<br>Surplus | Debt<br>Service<br>Coverage |
|---------------------|---|--|----------------------|-----------------------|-----------------------------|
| 2026                | \$1,042,190                                 | \$2,034,729  | \$992,539            | \$992,539             | 195%                        |
| 2027                | \$1,181,750                                 | \$2,034,429  | \$852,679            | \$1,845,218           | 172%                        |
| 2028                | \$1,179,750                                 | \$2,034,123  | \$854,373            | \$2,699,591           | 172%                        |
| 2029                | \$1,180,750                                 | \$2,033,811  | \$853,061            | \$3,552,651           | 172%                        |
| 2030                | \$1,184,500                                 | \$2,033,492  | \$848,992            | \$4,401,643           | 172%                        |
| 2031                | \$1,180,750                                 | \$2,033,167  | \$852,417            | \$5,254,061           | 172%                        |
| 2032                | \$1,179,750                                 | \$2,032,836  | \$853,086            | \$6,107,147           | 172%                        |
| 2033                | \$426,750                                   | \$2,032,498  | \$1,605,748          | \$7,712,896           | 476%                        |
|                     | \$8,556,190                                 | \$16,269,085   | \$7,712,896          |                       |                             |

(1) Provided by the Underwriter. Net of the Debt Service Reserve Fund in the final year.

(2) Provided by MuniCap, Inc.

### Projected Average Life of the Bonds

Pursuant to the terms of the Indenture and as described herein, moneys in the Surplus Fund shall be transferred on each Interest Payment Date as set forth under the section “SECURITY FOR THE BONDS – Surplus Fund” herein. If, after making such transfers, the amount remaining in the Surplus Fund exceeds Annual Debt Service on the Bonds for the immediately succeeding twelve (12) month period, the Administrator shall provide written notice thereof to the Trustee and the Issuer of the amount available in the Surplus Fund, which moneys in the Surplus Fund shall be used to redeem Bonds pursuant to the Special Mandatory Redemption provision described herein under “THE BONDS – Redemption – Special Mandatory Redemption”.

Based on the debt service coverage tables provided for Scenario A and Scenario B above, such excess Surplus Funds, as described in the preceding paragraph, will be applied to redeem Bonds prior to their stated maturity date. The tables on the following page were prepared by the Underwriter to show the projected annual and cumulative redemptions of the Bonds and the projected average life of the Bonds based on such excess Surplus Funds under both scenarios described above and in the Tax Increment Revenue Report attached hereto as APPENDIX A.

| <b>Scenario A</b>           |                                      |                                 |                     |                          |
|-----------------------------|--------------------------------------|---------------------------------|---------------------|--------------------------|
| <b>Bond Redemptions</b>     |                                      |                                 |                     |                          |
| <b><u>Date</u></b>          | <b><u>Mandatory Sinking Fund</u></b> | <b><u>Special Mandatory</u></b> | <b><u>Total</u></b> | <b><u>Cumulative</u></b> |
| 7/1/2026                    | 710,000                              | -                               | 710,000             | 710,000                  |
| 7/1/2027                    | 840,000                              | 575,000                         | 1,415,000           | 2,125,000                |
| 7/1/2028                    | 880,000                              | 930,000                         | 1,810,000           | 3,935,000                |
| 7/1/2029                    | 925,000                              | 2,685,000                       | 3,610,000           | 7,545,000                |
| 7/1/2030                    | -                                    | -                               | -                   | 7,545,000                |
| 7/1/2031                    | -                                    | -                               | -                   | 7,545,000                |
| 7/1/2032                    | -                                    | -                               | -                   | 7,545,000                |
| 7/1/2033                    | -                                    | -                               | -                   | 7,545,000                |
| <b>Projected Avg. Life:</b> |                                      |                                 | <b>2.98 years</b>   |                          |

| <b>Scenario B</b>           |                                      |                                 |                     |                          |
|-----------------------------|--------------------------------------|---------------------------------|---------------------|--------------------------|
| <b>Bond Redemptions</b>     |                                      |                                 |                     |                          |
| <b><u>Date</u></b>          | <b><u>Mandatory Sinking Fund</u></b> | <b><u>Special Mandatory</u></b> | <b><u>Total</u></b> | <b><u>Cumulative</u></b> |
| 7/1/2026                    | 710,000                              | -                               | 710,000             | 710,000                  |
| 7/1/2027                    | 840,000                              | 535,000                         | 1,375,000           | 2,085,000                |
| 7/1/2028                    | 880,000                              | 845,000                         | 1,725,000           | 3,810,000                |
| 7/1/2029                    | 925,000                              | 905,000                         | 1,830,000           | 5,640,000                |
| 7/1/2030                    | 975,000                              | 930,000                         | 1,905,000           | 7,545,000                |
| 7/1/2031                    | -                                    | -                               | -                   | 7,545,000                |
| 7/1/2032                    | -                                    | -                               | -                   | 7,545,000                |
| 7/1/2033                    | -                                    | -                               | -                   | 7,545,000                |
| <b>Projected Avg. Life:</b> |                                      |                                 | <b>3.26 years</b>   |                          |

## **RISK FACTORS**

Investment in the Bonds involves certain risks. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds, which are not rated by any recognized rating agency. This discussion does not purport to be comprehensive or definitive. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the TIF District to pay their real property taxes when due. Such failures to pay the real property taxes could result in Tax Increment Revenues that are insufficient to make full and punctual payments of debt service on the Bonds. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the TIF District.

### **Limited Obligations**

The Bonds are payable solely from the Tax Increment Revenues and the Tax Escrow Fund under the Tax Fund Escrow Agreement, and certain other funds on deposit with the Trustee or

which may be deposited with the Trustee in the future, including earnings and investments on funds on deposit with the Trustee.

**THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE PRINCIPAL OF THE BONDS, NOR THE INTEREST ACCRUING THEREON, SHALL EVER CONSTITUTE A GENERAL INDEBTEDNESS OF THE AUTHORITY OR AN INDEBTEDNESS OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER OR SHALL EVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, NOR WILL THE BONDS BE, OR BE DEEMED TO BE, AN OBLIGATION OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF. THE AUTHORITY HAS NO TAXING POWER.**

**No person, including any Bondholder, shall have any claim against the Authority or any of its officers, officials, directors, attorneys, agents or employees, past, present or future (or any of their respective heirs, personal representatives or successors), for damages suffered as a result of the Authority's failure to perform in any respect any covenant, undertaking, or obligation under any of the Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, or under any constitutional provisions, statute or rule of law, except to the extent that any such claim relates to any obligation, undertaking, representation or covenant of the Authority that is properly payable pursuant to and in accordance with the Acts and any of the Bond Documents (provided that any such claim shall be strictly limited to, and payable only from, the Trust Estate and/or the proceeds of the Bonds that may be made available for such purposes under the Acts). There shall be no other recourse against the Authority. No personal recourse shall be had against any officer, official, director, attorney, agent or employee of the Authority, past present or future (or any of their respective heirs, personal representatives or successors); but nothing herein contained will relieve any such officer, official, director, attorney agent or employee from the performance of any official duty provided by law. Nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the Authority or any of its officers, officials, directors, attorneys, agents or employees to enforce the provisions of any of the Bond Documents.**

### **Concentration of Ownership**

The land within the TIF District upon which the Resort is located is owned by the Land Owner and operated by the Developer. The obligation to pay real property taxes on the land within the TIF District is that of the Land Owner by law, but the Developer has contractually agreed with the Land Owner to pay all such real property taxes to Manufacturers and Traders Trust Company, as escrow agent (the "Escrow Agent") in monthly installments, who will submit such amounts to the Taxing Bodies when due pursuant to the Tax Fund Escrow Agreement. The timely payment of the Bonds depends on the willingness and ability of the Developer and the Land Owner, as well

as any successor owners, to pay real property taxes when due. This limited diversity in the obligation to pay the real property taxes presents a significant risk to Bondholders.

Failure of the Developer and the Land Owner to pay the real property taxes when due could result in the rapid, total depletion of the Debt Service Reserve Fund. In that event, there could be a default in payments of the principal of, and interest on, the Bonds.

### **Commercial Failure of the Resort; Economic Conditions**

The commercial viability of the Resort could be adversely affected by a number of economic factors such as regional competition, a decrease in market demand for the destination waterpark resort concept (compared to other types of destinations), adverse changes in the convention and meetings market due to significant changes in trends in the corporate meetings industry, and changes in national or regional economic conditions resulting in a decline in discretionary income, generally. If visitation to the Resort is lower than expected and results in revenues that are significantly lower than those forecasted, the economic viability of the Resort could be significantly adversely affected. The Developer's only asset is the Resort and the land within the TIF District, and its only source of revenue that is expected to be available to pay real property taxes will be generated from the ongoing operations of the Resort. Therefore, any such commercial failure of the Resort could reduce the ability and/or willingness of the Developer to pay the real property taxes when due, which may result in a default in payments of the principal of, and interest on, the Bonds.

### **Risk of Catastrophic Loss**

In the event that a natural or manmade disaster, such as a hurricane, fire, earthquake, tornado, or war destroys all or part of the Development, the assessed value of real property within the TIF District could be drastically reduced, causing a corresponding decrease in the Tax Increment Revenues.

Although the Developer is expected to maintain the type of insurance considered standard within the industry, there can be no assurance that a casualty loss will be covered by insurance (certain casualties are excepted), that the insurance company will fulfill its obligation to provide insurance proceeds, or that the insurance proceeds will be sufficient to rebuild the Resort. Even if insurance proceeds are available and the Resort is rebuilt, there could be a lengthy period in which the assessed value of the real property in the TIF District would be drastically reduced, causing a corresponding decrease in the Tax Increment Revenues.

### **Dependence on Tax Increments**

The amount of the Tax Increment Revenues available to pay principal and interest on the Bonds is determined by the assessed value of taxable real property in the TIF District, the tax rates imposed by the Taxing Bodies, and the percentage of taxes actually collected and paid into the Tax Increment Fund. The assessed value of real property in the TIF District must be assessed at levels sufficiently above the Tax Increment Base in order to produce Tax Increment Revenues sufficient to pay principal of and interest on the Bonds without drawing upon the Debt Service Reserve Fund established under the Indenture. The timely payment of debt service on the Bonds depends on the willingness and ability of the Land Owner to pay real property taxes when due.

There can be no guarantee that the property and improvements within the TIF District will be assessed at the levels shown herein and in APPENDIX A – “Tax Increment Revenue Report,” nor can there be a guarantee that the value of the property will not decrease. Property owners have the right to appeal the assessed value of their property in the TIF District and are not required to tender their property for ad valorem taxation at any agreed upon level. Property values may also be adversely affected by natural or other disasters resulting in the destruction of property in the TIF District.

The property owner may appeal the assessed value of the property located in the TIF District, which may result in a decrease in the total assessed valuation of the property located in the TIF District allocated to the Development. For additional information on an appeal and the effect it may have on Tax Increment Revenues, see “SECURITY FOR THE BONDS – Monroe County Real Estate Taxation – Property Assessment – Assessment Appeals” and “APPENDIX A “Tax Increment Revenue Report – Tax Assessment Procedures – Appeals”. In addition, future County-wide reassessments may impact the assessed value of the property located in the TIF District. The nature of the impact of any such reassessment is unknown at this time.

### **Uncertainty of Calculation and Collection of Tax Increments**

Tax Increment Revenues are calculated based upon the assessed value of the real property in the TIF District. Accordingly, they are affected by the appraisal of property within the TIF District. The method of appraising the property within the TIF District could have a significant impact on the Tax Increment Revenues that become available. The appraisal method or combination of methods that the assessor uses with respect to the TIF District is within the discretion of the assessor and may change from time to time. See “SECURITY FOR THE BONDS – General.” The use of a particular method or combination of methods of appraisal with respect to property in the TIF District may, over time, cause a decrease in the assessed value of the real property in the TIF District and, therefore, result in a reduction in the Tax Increment Revenues available to pay debt service on the Bonds.

### **Dependence on Projections**

The Tax Increment Revenue Report attached as APPENDIX A to this Preliminary Official Statement contains projections of the amounts expected to be available based on the assumptions set forth therein. These projections constitute “forward-looking” statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and as such may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from the future results, performance or achievements expressed or implied by such forward-looking statements. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.

The assumptions used to provide the projections were made by Municap, Inc. The Authority has not commissioned an independent feasibility analysis of any of the assumptions upon which the financial projections are based.



## **Tax Delinquencies**

In order to pay debt service on the Bonds, it is necessary that the ad valorem taxes levied against the property within the TIF District be paid in a timely manner. Under provisions of the Acts, the Tax Increment Revenues necessary for the payment of principal of, and interest on, the Bonds are derived, are collected by the Taxing Bodies. If the Developer and other owners fail to pay the ad valorem property tax installments when due, there will be significant tax delinquencies. See “RISK FACTORS – Concentration of Ownership.”

In the event that tax sales of property are necessary, and the Debt Service Reserve Fund is depleted, there could be a delay or reduction in payments to Holders of the Bonds pending such tax sales and receipt by the Authority of the proceeds of sale.

See “SECURITY FOR THE BONDS – Property Tax Collection Procedures”, for a discussion of the provisions which apply and procedures which the Authority is obligated to follow under the Indenture in the event of delinquencies in the payment of real property taxes. See “RISK FACTORS – Potential Delay and Limitations of Tax Sales”, and – “Bankruptcy” below, for a discussion of limitations on the Authority’s ability to recover delinquent Tax Increment Revenues from tax sales.

## **Potential Delay and Limitations of Tax Sales**

The ability of the Taxing Bodies to recover delinquent unpaid property taxes from which Tax Increment Revenues are derived for the payment of debt service on the Bonds, may be limited by bankruptcy, insolvency or other laws generally affecting creditors’ rights. See “SECURITY FOR THE BONDS – Property Tax Collection Procedures” and “RISK FACTORS – Bankruptcy.”

Potential investors should be aware that any recovery of delinquent property taxes is subject to, and may be delayed by, certain procedures for providing notice to record holders of the property of the pending tax sale, subsequent purchasers of property at tax sale who initiate proceedings to foreclose redemption of the property, court procedures, and multiple tax sales (in the event of a failed tax sale). Additionally, the amounts ultimately recovered from a tax sale representing Tax Increment Revenues may be less than the amounts necessary to pay debt service on the Bonds. Potential investors should also be aware that, in addition to the delayed recovery of delinquent property taxes, during any period of time in which property subject to a tax sale remains unsold, it is likely that ongoing property taxes will not be paid.

Delays and uncertainties in recovering delinquent property taxes create significant risks for Bondholders. Such payment delinquencies that continue during the pendency of protracted tax sale proceedings, resulting in insufficient Tax Increment Revenues, could result in the rapid, total depletion of the Debt Service Reserve Fund prior to replenishment from the resale of such property. In that event, there could be a default in payments of the principal of, and interest on, the Bonds. See “SPECIAL RISK FACTORS – Concentration of Ownership” above.

## **No Acceleration Provision**

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture. The

ultimate source of recovery in the event of a default resulting from non-payment of real property taxes is the tax sale provisions described under “SECURITY FOR THE BONDS – Property Tax Collection Procedures – Collection of Delinquent Taxes”.

## **Bankruptcy**

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel’s approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors.

Although a bankruptcy proceeding would not cause the lien of real property taxes to become extinguished, the bankruptcy of the Developer could result in the failure of the Developer to complete the Development, thereby impairing the value of the real property within the TIF District and the amount of any Tax Increment Revenues. Further, the amount and priority of any tax lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than value of the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a property owner could result in a delay in completing a tax sale of the property. Such delay would increase the likelihood of a delay or default in payment of the principal of, and interest on, the Bonds and the possibility of delinquent tax installments not being paid in full.

## **Limited Secondary Market and Liquidity**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue or industry, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

## **Loss of Tax Exemption**

As discussed under the caption “TAX MATTERS,” the interest on the Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds as a result of a failure of the Authority or the Developer to comply with certain provisions of the Code. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain Outstanding to maturity or until redeemed under the optional redemption or mandatory sinking fund redemption provisions of the Indenture.

## **UNDERWRITING**

The Authority and Stifel, Nicolaus & Company, Inc. (the “Underwriter”) will enter into a Bond Purchase Agreement (the “Contract of Purchase”) pursuant to which the Underwriter will agree, subject to certain customary conditions precedent to closing, to purchase the Bonds from the Authority at a purchase price equal to \$\_\_\_\_\_ (representing the par amount of the

Bonds, plus [net] original issue [premium/discount] of \$ \_\_\_\_\_, and less an Underwriter's discount of \$ \_\_\_\_\_). Pursuant to the Contract of Purchase, the Underwriter will be obligated to purchase all of the Bonds if any of such Bonds are purchased.

The obligation of the Underwriter to accept delivery of and pay for the Bonds is subject to certain terms and conditions set forth in the Contract of Purchase. The Authority has agreed to be liable to the Underwriter to the extent of all losses, claims, damages and liabilities arising out of incorrect statements or information contained in this Official Statement or material omissions therein, except for information furnished by the Underwriter, and with respect to certain other matters. The Underwriter may offer and sell Bonds to certain dealers (including dealer banks and dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the Authority and to persons and entities with relationships with the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

## **LEGAL MATTERS**

Eckert Seamans Cherin & Mellott, LLC, Bond Counsel, will render an opinion with respect to the Bonds substantially in the form set forth in APPENDIX C to this Preliminary Official Statement. Copies of this opinion will be available at the time of delivery of the Bonds. Matters will be passed upon for the Underwriter by Cozen O'Connor, as counsel to the Underwriter, and for the Authority by Newman Williams, P.C., as counsel to the Authority.

## TAX MATTERS

### Federal

#### *Exclusion of Interest from Gross Income*

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds[, including interest in the form of original issue discount,] will not be includible in gross income of the holders thereof for federal income tax purposes assuming continuing compliance by the Authority with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals.

In rendering its opinion, Bond Counsel has assumed compliance by the Authority with its covenants contained in the Indenture and its representations in the Tax Compliance Certificate executed by the Authority on the date of issuance of the Bonds relating to actions to be taken by the Authority after issuance of the Bonds necessary to effect or maintain the exclusion from gross income of the interest on the Bonds for federal income tax purposes. These covenants and representations relate to, inter alia, the use and investment of proceeds of the Bonds, and the rebate to the United States Department of Treasury of specified arbitrage earnings, if any. Failure to comply with such covenants could result in interest on the Bonds becoming includible in gross income for federal income tax purposes from the date of issuance of the Bonds.

#### *Other Federal Tax Matters*

Ownership or disposition of the Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, taxpayers who have an initial basis in the Bonds greater or less than the principal amount thereof, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers, including banks, thrift institutions and other financial institutions subject to Section 265 of the Code, who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds. In addition, ownership or disposition of the Bonds may result in other federal tax consequences to “applicable corporations” (within the meaning of Section 59(k) of the Code enacted as part of the Inflation Reduction Act of 2022) for tax years beginning after December 31, 2022, in that interest on the Bonds may be included in the calculation of the alternative minimum tax imposed on applicable corporations under Section 55(b) of the Code.

**Bond Counsel is not rendering any opinion regarding any federal tax matters other than as described under the caption “Exclusion of Interest From Gross Income” above and expressly stated in the form of the opinion of Bond Counsel included as APPENDIX C. Prospective purchasers of the Bonds should consult their independent tax advisors with regard to all federal tax matters.**

## **Pennsylvania**

In the opinion of Bond Counsel, under the laws of the Commonwealth as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax; however, under the laws of the Commonwealth, as enacted and construed on the date hereof, any profits, gains or income derived from the sale, exchange or other disposition of the Bonds will be subject to Pennsylvania taxes and local taxes within the Commonwealth.

**Bond Counsel is not rendering any opinion as to any Commonwealth of Pennsylvania tax matters other than those described under the caption “Pennsylvania” above and expressly stated in the form of the opinion of Bond Counsel included as APPENDIX C hereto.**

**Prospective purchasers of the Bonds should consult their independent tax advisors with regard to all Commonwealth of Pennsylvania tax matters.**

## **Other**

The Bonds and the interest thereon may be subject to state and local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws.

**Purchasers of the Bonds should consult their independent tax advisors with regard to all state and local tax matters that may affect them.**

## **LITIGATION**

At the time of delivery of and payment for the Bonds, the Authority will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending with respect to which the Authority has been served with process or is otherwise aware, or, to the knowledge of the officer of the Authority executing such certificate, threatened against the Authority affecting the existence of the Authority or the titles of its officers to their respective offices or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Indenture, or the collection or application of any revenues provided for the payment of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Indenture, Cooperation Agreement, any action of the Authority contemplated by any of the said documents, or the collection or application of any revenues provided for the payment of the Bonds, or in any way contesting the completeness or accuracy of this Preliminary Official Statement or any amendment or supplement hereto, or contesting the powers of the Authority or its authority with respect to the Bonds or any action of the Authority contemplated by any of said documents.

## **NO RATING**

The Authority has not and does not contemplate making an application to any rating agency for the assignment of a rating to the Bonds.

## CONTINUING DISCLOSURE UNDERTAKING

The Authority will undertake in an undertaking (the “Continuing Disclosure Agreement”) to comply with the provisions of Rule 15c2-12 (the “Rule”), promulgated by the Securities and Exchange Commission, by providing certain annual financial information, operating data and event notices required by the Rule. Such information is to be filed with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access System (“EMMA”). The form of the Continuing Disclosure Agreement to be entered into by the Authority is attached hereto as APPENDIX D.

The Continuing Disclosure Agreement provides Bondholders with certain enforcement rights in the event of a failure by the Authority to comply with the terms thereof. However, a default under the Continuing Disclosure Agreement does not constitute a default under the Indenture. The Continuing Disclosure Agreement may be amended or terminated under certain circumstances in accordance with the Rule as more fully described therein. Bondholders are advised that the Continuing Disclosure Agreement, attached hereto as APPENDIX D, should be read in its entirety for more complete information regarding the Authority’s obligations under the Rule.

### Continuing Disclosure Compliance

The Authority’s filing history with respect to its annual reports required to be filed pursuant to its prior undertakings for the last five (5) years is outlined below:

| <u>Period Ending</u> | <u>Filing Due Date</u> | <u>Date Filed</u>  |
|----------------------|------------------------|--------------------|
| August 31, 2024      | October 1, 2024        | September 27, 2024 |
| September 30, 2023   | October 1, 2023        | September 27, 2023 |
| September 30, 2022   | October 1, 2022        | September 30, 2022 |
| August 15, 2021      | October 1, 2021        | October 5, 2021    |
| September 30, 2020   | October 1, 2020        | September 30, 2020 |

The Authority has engaged MuniCap, Inc. to serve as dissemination agent to facilitate the ongoing timely filing of its annual reports.

## RELATIONSHIPS

MuniCap, Inc. has been retained as the Administrator, pursuant to the Agreement for Administrative Services Agreement, between the Township, the Authority and MuniCap, Inc. dated as of the date hereof.

## MISCELLANEOUS

The quotations from, and summaries and explanations of the Indenture and other statutes and documents contained herein do not purport to be complete, and reference is made to such documents, the Indenture, and statutes for full and complete statements of their provisions.

This Preliminary Official Statement is submitted only in connection with the offering of the Bonds by the Underwriter. The information contained in this Preliminary Official Statement has been compiled or prepared from information obtained from the Developer, the Authority, the County, the Township, the School District, DTC, and official or other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date. All estimates, assumptions, statistical information and other statements contained herein, while taken from sources considered reliable, are not guaranteed by the Authority or the Underwriter.

This Preliminary Official Statement has been approved by the Authority, and the distribution and use by the Underwriter of this Preliminary Official Statement have been duly authorized by the Authority. The inclusion of the Tax Increment Revenue Report as APPENDIX A hereto and the descriptions and summaries thereof, has been approved by MuniCap, Inc.

The Authority has either provided or reviewed the information under the headings “THE AUTHORITY”, “THE BONDS – The Administrator” and “NO LITIGATION” as it relates to the Authority and will be responsible for only such sections within this Preliminary Official Statement. The Developer is responsible for the statements under the captions “INTRODUCTION – The Developer; The Development”, “THE DEVELOPMENT”, “THE DEVELOPER”, “RISK FACTORS – Concentration of Ownership, – Commercial Failure of the Development” and “LITIGATION” and “RELATIONSHIPS” as they relate to the Developer and the Development.

The Trustee has neither reviewed, nor participated in the preparation of, this Preliminary Official Statement and, as a result, is not responsible for the content thereof. The information contained herein should not be considered as representing all conditions affecting the Authority, the TIF District or the Bonds.

This Preliminary Official Statement does not constitute a contract with the purchasers of the Bonds.

Any statements made in this Preliminary Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Preliminary Official Statement have been approved by the Monroe County Industrial Development Authority.

**MONROE COUNTY INDUSTRIAL  
DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Authorized Officer

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## **APPENDIX A**

### **Tax Increment Revenue Report**

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**CAMELBACK POCONO PROJECT  
MONROE COUNTY  
INDUSTRIAL DEVELOPMENT AUTHORITY**

**TAX INCREMENT REVENUE REPORT**

**JULY 11, 2025**



**PREPARED BY:**

**MUNICAP, INC.**  
— PUBLIC FINANCE —

# CAMELBACK POCONO PROJECT MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

## TAX INCREMENT REVENUE REPORT

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# I. EXECUTIVE SUMMARY

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## PURPOSE OF STUDY<sup>1</sup>

The purpose of this study is to provide estimates of certain revenues generated by property within the Pocono CBK Tax Increment Financing District (the “TIF District”), located within Pocono Township (the “Township”) in Monroe County, Pennsylvania (the “County”). These revenues will be available to pay debt service on refunding bonds to be issued by the Monroe County Industrial Development Authority (the “MCIDA,” the “Issuer,” or the “Authority”) for the benefit of the TIF District. Specifically, this study provides estimates of the following revenues:

- **Tax Increment Revenues:** ad valorem property taxes levied upon the incremental assessed value of real property within the TIF District above an established base value, as more fully explained herein.

Tax Increment Revenues will be pledged to pay debt service and related expenses on the Authority’s Tax Increment Financing Revenue Refunding Bonds (Camelback Pocono Township Project), Series 2025 (the “2025 Bonds”).

## BACKGROUND

### THE TIF DISTRICT

As discussed more fully in subsequent sections of this report, the Board of Commissioners of the Township of Pocono (the “Township Commissioners”) passed an ordinance on July 15, 2013, creating the TIF District, which comprises approximately twenty-five acres of contiguous property in the Township. The TIF District includes a portion of Camelback Mountain Resort. This resort sits on three taxable parcels, of which only one parcel (12.10.1.2-6) is included in the TIF District. The remaining two parcels are excluded from the TIF District and include supporting resort development. The portion of Camelback Mountain Resort within the TIF District includes a hotel, an indoor water park, restaurants, and other park facilities (the “District Development”). The District Development was completed as of May 2015 and is generating existing Tax Increment Revenues.

Following the creation of the TIF District, the 2013 Bonds (as subsequently described) were issued on December 12, 2013, secured by the Tax Increment Revenues. As stated in the Private Placement Memorandum, dated December 12, 2013, a corporate guaranty was provided by CBH20, LP to pay in full principal, premium, and interest on the 2013 Bonds in the event Tax Increment Revenues are insufficient. As a part of the issuance of 2025 Bonds, this corporate guaranty will be terminated. The TIF District is to terminate on December 31, 2033, upon maturity of the 2013 Bonds.

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<sup>1</sup> Capitalized terms not defined herein have the meaning as described in the Preliminary Official Statement July 11, 2025 (the “POS”).

### **CURRENT ASSESSED VALUE**

According to information provided by the Monroe County Assessment Office (the “County Assessor”), the current assessed value of real property within the TIF District as of January 1, 2025, is \$65,780,260. The real property generates Tax Increment Revenues that are pledged to debt service, as described below.

### **TAX INCREMENT REVENUES**

Tax Increment Revenues are the annual real property taxes levied and payable upon the then-current assessed value, as determined by the County Assessor, of all real property in the TIF District in excess of the base assessed value of the TIF District. The base assessed value is the taxable assessed value on all real property as determined by the County Assessor on January 1, 2013, and amended for tax year 2020 after a County-wide reassessment. The base value following reassessment is adjusted to produce taxes equal to those of the base value when the TIF District was established.

Prior to reassessment in 2020, the parcel that includes the TIF District was consolidated with parcels outside of the TIF boundary. As a result of the consolidation, it was determined that 98% of the total assessed value of the new parcel is to be allocated to the TIF District. As shown in Table IV-C, the assessed value for the TIF District in the current year is \$64,464,655.

Upon creation of the TIF District, the base assessed value of real property was \$53,860. In 2020, the County completed a County-wide reassessment of all property within the County, resulting in an increase in the base assessed value to \$391,310.

Projections included assume the base assessed value of the property in the TIF District will remain constant at \$391,310.

### **THE 2013 BONDS**

Pursuant to the 2013 Trust Indenture, by and between the Issuer and Manufacturers and Traders Trust Company (the “2013 Trustee”), the Issuer issued its Tax Increment Financing Revenue Bonds (Camelback Pocono Township Project), Series 2013 (Federally Taxable), dated December 12, 2013, in the original aggregate principal amount of \$13,821,000 (the “2013 Bonds”). The proceeds of the 2013 Bonds were applied to finance the costs of the TIF District (as subsequently described in **VI. DESCRIPTION OF THE DISTRICT**).

As of December 1, 2024, the outstanding principal amount of the 2013 Bonds is \$9,534,000.

## THE 2025 BONDS

On February 26, 2025, the MCIDA Board of Directors (the “Board of the Authority”) enacted a resolution (the “Resolution”) authorizing the issuance of the 2025 Bonds for the following purposes:

- to refund all of the outstanding amount of the Authority’s 2013 Bonds
- to fund the Debt Service Reserve Fund
- to pay certain costs relating to the issuance of the 2025 Bonds

The 2025 Bonds are secured by Tax Increment Revenues, certain funds and accounts created in the Trust Indenture, including the Debt Service Reserve Fund, and interest earnings, as set forth in the POS (collectively, the “Trust Estate”).

## **ASSUMPTIONS FOR PROJECTED REVENUES**

As noted, the property located within the TIF District and creating Tax Increment Revenues is complete. To estimate the debt service coverage on the 2025 Bonds, this report includes estimates of Tax Increment Revenues under two scenarios, as follows:

### **Scenario A “With Appreciation”**

- Millage rates in future years increase from 2025 rates at a rate of 2% per annum
  - 2025 Township millage rate: 3.4290 per \$1,000 of assessed value
  - 2025 County millage rate: 5.4773 per \$1,000 of assessed value
  - 2025 School District rate: 23.2500 per \$1,000 of assessed value

### **Scenario B “No Appreciation”**

- County, Township, and Pocono Mountain School District (the “School District,” and together with the County and the Township, the Taxing Bodies”) millage rates are assumed to have an annual growth rate of 0%

## **RESULTS OF STUDY**

### **PROJECTED TAX INCREMENT REVENUES**

The Tax Increment Revenues based on the existing assessed values are as shown in **TABLE I-A**.

**TABLE I-A**  
**Projected Tax Increment Revenues**

|                                       | Projected Tax Increment Revenues        |                            |
|---------------------------------------|---|----------------------------|
|                                       | Bond Year<br>Ending 2027 <sup>(a)</sup> | Cumulative<br>Through 2033 |
| <b>Scenario A (With Appreciation)</b> | \$2,075,423                             | <b>\$17,464,014</b>        |
| <b>Scenario B (No Appreciation)</b>   | \$2,034,429                             | <b>\$16,269,085</b>        |
| Difference                            | (\$40,995)                              | (\$1,194,928)              |

<sup>(a)</sup>Tax Increment Revenues for bond year ending 2027 are based on the assessed value as of January 1, 2026.



### PROJECTED DEBT SERVICE COVERAGE

The total par amount of the 2025 Bonds is [\$7,545,000]<sup>2</sup>. Projected debt service coverage for the 2025 Bonds is shown in **TABLE I-B** and **TABLE I-C** for Scenarios A and B. The Tax Increment Revenues provide an average debt service coverage from bond year ending 2026 through 2032 of 186.2% in Scenario A and 175.5% in Scenario B as shown in **TABLE I-B** and **TABLE I-C**, respectively.

**TABLE I-B**  
**Projected Debt Service Coverage — 2025 Bonds (Scenario A)**

| Tax<br>Year<br>Ending | Bond<br>Year<br>Ending | Refunding<br>Debt Service <sup>(a)</sup> | Tax Increment<br>Revenues Available<br>for Debt Service <sup>(b)</sup> | Surplus<br>(Deficit) | Net<br>Surplus/<br>(Deficit) | Cumulative<br>Surplus | Debt Service Coverage |                   |
|-----------------------|------------------------|--|--|----------------------|------------------------------|-----------------------|-----------------------|-------------------|
|                       |                        |  |  |                      |                              |                       | TIF<br>Revenues       | Total<br>Revenues |
| 30-Nov-25             | 1-Jul-26               | \$1,042,190                              | \$2,034,729  | \$992,539            | \$992,539                    | \$992,539             | 195%                  | 195%              |
| 30-Nov-26             | 1-Jul-27               | \$1,181,750                              | \$2,075,423  | \$893,673            | \$893,673                    | \$1,886,212           | 176%                  | 176%              |
| 30-Nov-27             | 1-Jul-28               | \$1,179,750                              | \$2,116,932  | \$937,182            | \$937,182                    | \$2,823,394           | 179%                  | 179%              |
| 30-Nov-28             | 1-Jul-29               | \$1,180,750                              | \$2,159,270  | \$978,520            | \$978,520                    | \$3,801,915           | 183%                  | 183%              |
| 30-Nov-29             | 1-Jul-30               | \$1,184,500                              | \$2,202,456  | \$1,017,956          | \$1,017,956                  | \$4,819,870           | 186%                  | 186%              |
| 30-Nov-30             | 1-Jul-31               | \$1,180,750                              | \$2,246,505  | \$1,065,755          | \$1,065,755                  | \$5,885,625           | 190%                  | 190%              |
| 30-Nov-31             | 1-Jul-32               | \$1,179,750                              | \$2,291,435  | \$1,111,685          | \$1,111,685                  | \$6,997,310           | 194%                  | 194%              |
| 30-Nov-32             | 1-Jul-33               | \$426,750                                | \$2,337,264  | \$1,910,514          | \$1,910,514                  | \$8,907,824           | 548%                  | 548%              |
| Total                 |                        | \$8,556,190                              | \$17,464,014   | \$8,907,824          | \$8,907,824                  |                       |                       |                   |

<sup>(a)</sup>Source: Provided by Stifel Nicolaus and Co. See Appendix C. Assumes the reserve fund is applied in the final year of bonds.

<sup>(b)</sup>See Appendix A-2.

<sup>2</sup> Preliminary, subject to change.

**TABLE I-C**  
**Projected Debt Service Coverage — 2025 Bonds (Scenario B)**

| Tax<br>Year<br>Ending | Bond<br>Year<br>Ending | Refunding<br>Debt Service <sup>(a)</sup> | Tax Increment<br>Revenues Available<br>for Debt Service <sup>(b)</sup> | Surplus<br>(Deficit) | Net<br>Surplus/<br>(Deficit) | Cumulative<br>Surplus | Debt Service Coverage |                   |
|-----------------------|------------------------|--|--|----------------------|------------------------------|-----------------------|-----------------------|-------------------|
|                       |                        |  |  |                      |                              |                       | TIF<br>Revenues       | Total<br>Revenues |
| 30-Nov-25             | 1-Jul-26               | \$1,042,190                              | \$2,034,729  | \$992,539            | \$992,539                    | \$992,539             | 195%                  | 195%              |
| 30-Nov-26             | 1-Jul-27               | \$1,181,750                              | \$2,034,429  | \$852,679            | \$852,679                    | \$1,845,218           | 172%                  | 172%              |
| 30-Nov-27             | 1-Jul-28               | \$1,179,750                              | \$2,034,123  | \$854,373            | \$854,373                    | \$2,699,591           | 172%                  | 172%              |
| 30-Nov-28             | 1-Jul-29               | \$1,180,750                              | \$2,033,811  | \$853,061            | \$853,061                    | \$3,552,651           | 172%                  | 172%              |
| 30-Nov-29             | 1-Jul-30               | \$1,184,500                              | \$2,033,492  | \$848,992            | \$848,992                    | \$4,401,643           | 172%                  | 172%              |
| 30-Nov-30             | 1-Jul-31               | \$1,180,750                              | \$2,033,167  | \$852,417            | \$852,417                    | \$5,254,061           | 172%                  | 172%              |
| 30-Nov-31             | 1-Jul-32               | \$1,179,750                              | \$2,032,836  | \$853,086            | \$853,086                    | \$6,107,147           | 172%                  | 172%              |
| 30-Nov-32             | 1-Jul-33               | \$426,750                                | \$2,032,498  | \$1,605,748          | \$1,605,748                  | \$7,712,896           | 476%                  | 476%              |
| Total                 |                        | \$8,556,190                              | \$16,269,085   | \$7,712,896          | \$7,712,896                  |                       |                       |                   |

<sup>(a)</sup>Source: Provided by Stifel Nicolaus and Co. See Appendix C. Assumes the reserve fund is applied in the final year of bonds.

<sup>(b)</sup>See Appendix B-2.

## ORGANIZATION OF STUDY

The subsequent sections of the report are structured as follows:

***Section II. Tax Assessment Procedures:*** a discussion of the tax assessment procedures for the County, along with information regarding the base assessed value

***Section III. Taxation Procedures:*** a discussion of the levy and collection procedures for the Township, County, and School District for the purposes of the TIF District

***Section IV. Historical Appreciation:*** an analysis of historical and projected appreciation of taxable assessed value

***Section V. Market Overview:*** an overview of current economic and demographic conditions in and around the TIF District

***Section VI. Description of the District:*** a history of the TIF District and a summary of the development areas within the TIF District

***Section VII. District Development:*** an account of District Development

***Section VIII. Projection of Assessed Value:*** a forecast of taxable assessed value

***Section IX. Projection of Tax Increment Revenues:*** estimates of Tax Increment Revenues based on the values projected in [SECTION VIII](#)

***Section X. Projected Debt Service Coverage:*** projected debt service coverage based on Tax Increment and estimated debt service

***Section XI. Assumptions and Limitations:*** an account of the assumptions, limitations, caveats and qualifications applicable to any forward-looking projections included within this report

The accompanying appendices provide detailed calculations and additional supporting information related to the figures discussed in this report.

## II. TAX ASSESSMENT PROCEDURES

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### TAX ASSESSMENT PROCEDURES

#### OVERVIEW

Property within the TIF District is assessed for purposes of taxation by the County Assessor.

Per the County Assessor, all County and municipal tax bills run in accordance with the calendar year, with assessed values effective annually as of January 1.

The County Assessor endeavors to value property at 100% of the market value, the price established between a willing buyer and a willing seller taking into consideration the uses to which the property is adapted, as of the last Countywide reassessment. The taxable assessed value of property in the County is representative of the relation of the market value to the Common Level Ratio (“CLR”), described further in **IV. HISTORICAL APPRECIATION**. The County reassessed all property as of July 1, 2019, for tax year 2020. The process for the reassessment started in August 2016 and was completed in July 2019 for tax year 2020. Prior to the 2020 reassessment, the County had not reassessed property since 1989.

The County contracted with Tyler Technologies, Inc., CLT Appraisal Services (“Tyler Technologies”) to conduct the county-wide reassessment and provided notice to all property owners of this reassessment on March 1, 2019. Tyler Technologies, at the direction of the County Assessor, measured buildings and requested information from property owners, such as the number of bedrooms and bathrooms, type of heating and cooling systems, year built, and general construction, materials, and physical condition of the interior and exterior for each property.

Per information received from the County, another County-wide reassessment is contemplated that would occur during 2026 and 2027. Following this reassessment, the County expects that updated assessed values will be available for tax year 2028.

#### METHODOLOGY

The County Assessor applies generally accepted valuation methods to determine property values. A description of these methods is included below.

**Cost Approach** – The cost approach values property based on the costs of development. The value of a structure is determined by estimating the cost to replace the building with a new structure and then subtracting depreciation. This method assumes that the cost of replacing the existing building plus the value of the land equals market value. The steps in applying the cost approach include the following:

- estimating the site value (land and site improvements) through a review of comparable sales
- estimating the cost of replacing the existing building with one of similar usefulness (reflecting current building design and materials)
- deducting all sources of depreciation, including physical deterioration (“wear and tear” on a building) and functional and economic obsolescence<sup>3</sup>.

The cost approach is relied upon most often when the property being appraised is new or nearly new and income is not yet stabilized, where there are no comparable sales, or where the improvements are relatively unique or specialized.

**Market Approach** – The market approach (sometimes referred to as the ‘sales comparison’ approach) is based on the premise that the value of a specific property is set by the price an informed purchaser would pay for a comparable property, offering similar desirability and usefulness. For instance, if recent sales of condominium units within the same building indicate an increase in market values, all assessed values for condominiums in the building will be reassessed to reflect this increase in market value. This requires an understanding of all market variables, including location, property size, physical features, and economic factors. The process of identifying and analyzing comparable property sales is repeated until a satisfactory range of value indicators for the subject property is established and a final estimate of value is possible. The limitations of the market approach are that it requires recent and accurate sales data for similar properties.

**Income Approach** – The income approach to value is based on the premise that the value of a property is directly related to the income it will generate. The County Assessor analyzes both the property’s ability to produce future income and its expenses, and then estimates the property’s value. The County Assessor develops a capitalization rate by analyzing the sales of income properties and determining the relationship between the sale price and net income.

The first steps in applying the income approach are to determine the stabilized, net operating income by doing the following:

- estimating potential gross income from all sources
- deducting an allowance for vacancy and bad debts
- deducting all direct and indirect operating expenses

The resulting net operating income is divided by a market capitalization rate, which reflects the property type and effective date of valuation to produce an estimate of overall property value.

To determine the potential gross income, the County Assessor determines market rents by analyzing actual rental rates (for both the property being assessed and for comparable properties in the neighborhood) and making an allowance for vacancy and collection loss.

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<sup>3</sup> Functional obsolescence is the reduced ability of the building to perform the function it was originally designed and built for. Economic obsolescence refers to external forces that affect the ability of the building to continue to perform, including changes in transportation corridors, new types of building design demanded by the market, etc.

To determine the effective gross income, the County Assessor deducts estimated operating expenses.

The County Assessor determines the capitalization rate by analyzing sales (comparing net operating income to sale price) in the same market to determine rates of return. The capitalization rate will vary depending on the attractiveness of a property as an investment, income risks, and physical factors.

The income approach is relied upon most often when appraising properties that produce a rental income from single or multiple tenants. The capitalized value of the income stream provides an estimate of the market value of the property (land and improvements).

Historically, the County Assessor uses the market approach for for-sale residential property, while employing the cost or income approach for income-producing residential and commercial property. For property that does not produce income (or produces income that is not believed to be indicative of the true value of the property) and for which there are no properties suitable for comparison in the market, the County Assessor determines the fair market value of the property on a cost basis. If a property owner appeals the value as determined by the County Assessor, valuations under all applicable approaches will be reviewed. Projections herein assume that property located within the TIF District will be valued using the income approach.

### APPEALS

Property owners within the County may challenge their assessed value via an appellate process. As stated in the Appeal Procedures Rules and Regulations page on the County website, appeals must be filed with and received by the Board of Assessment Revision, a division of the County for the following year by August 1.

The appeal process consists of a hearing, which is held by the Board of Assessment Revision. The owner of the property filing the appeal will first offer their opinion of the property's value, either verbally or in writing. The property owner, or legal representation thereof, shall present to the County directly. An exception is granted to expert witnesses who have filed an independent appraisal of value with the County to present on the property owner's behalf. After this, the Board of Assessment Revision will bring whatever testimony they deem relevant to the discussion to the hearing, and after deliberation, the Board of Assessment Revisions will reach a verdict.

**TABLE III-A** and **TABLE III-B** of the next section, entitled 'Taxation Procedures' summarize the schedule of assessment, appellate, and taxation processes for the Township, the County, and the School District.

### III. TAXATION PROCEDURES

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#### PROPERTY TAXES

##### OVERVIEW

The Pocono Township Tax Collector (the “Township Tax Collector:”) is responsible for billing and collection of the residential and commercial real estate taxes for the Taxing Bodies. Annual ad valorem real and personal property taxes are based on assessed values as of dates and payable on the dates for the Taxing Bodies as shown in **TABLE III-A** and **TABLE III-B**.

##### DUE DATES –TOWNSHIP AND COUNTY

Tax bills for the Township and County are based on the assessed value as of March 1 of each year. On this date, tax bills are dated and mailed to property owners. Property owners in the Township and County paying their current year tax bill in full by April 30 receive a 2% discount; property owners paying their current year tax bill in full after April 30 but by June 30 receive no discount and incur no penalty; property owners with outstanding current year taxes after June 30 immediately incur a 10% penalty on the outstanding amount, which may be paid until December 31 without additional collection efforts. If real property taxes remain unpaid, a lien is placed on the property January 1 of the following year. If taxes remain unpaid after two years, the property will be subject to foreclosure and sale by the County as shown in **TABLE III-A**.

**Table III-A**  
**Assessment, Appellate, Taxation, and Lien Sale Timeline –Township & County<sup>(a)</sup>**

| Process   | Date                          |
|---|-------------------------------|
| Valuation date for real property for purposes of tax bill | March 1                       |
| Township tax bills dated and mailed                       | March 1                       |
| Special Assessments bills are mailed <sup>(b)</sup>       | March 1                       |
| 2.0% discount for full payment of Borough and County      | April 30                      |
| Township tax face amount due                              | June 30                       |
| Township property taxes subject to 10% per annum penalty  | July 1                        |
| Township final due date                                   | December 31                   |
| Lien date   | January 1                     |
| Board of Assessment Appeals                               | Annual/Interim                |
| Property subject to upset sale <sup>(b)</sup>             | Delinquent for past two years |

<sup>(a)</sup>Source: Pocono Township financial statements.

<sup>(b)</sup>A property is subject to upset sale (the sale of a delinquent taxpayer's property) after two years of delinquency.

### **DUE DATES – SCHOOL DISTRICT**

As shown in **TABLE III-B**, the assessment, appellate, taxation and lien sale timeline for the School District differ somewhat from the dates for the County and Township.

Notable differences are as follows:

- Tax bills are mailed August 1, rather than March 1
- Property owners have the option of paying either in one installment or three installments.
  - First installment due August 31
  - Second installment due October 31
  - Third and final installment due December 1

**Table III-B**  
**Assessment, Appellate, Taxation, and Lien Sale Timeline – School District<sup>(a)</sup>**

| Process   | Date                          |
|---|-------------------------------|
| Valuation date for real property for purposes of school district tax bill | August 1                      |
| School District tax bills dated and mailed                                | August 1                      |
| School District first annual installment due <sup>(b)</sup>               | August 31                     |
| 2.0% discount for full payment of School District                         | September 30                  |
| School District second annual installment due <sup>(b)</sup>              | October 31                    |
| School District tax face amount due                                       | November 30                   |
| School District property taxes subject to 10% penalty                     | December 1                    |
| School District third annual installment due <sup>(b)</sup>               | December 31                   |
| Lien date   | January 1                     |
| Board of Assessment Appeals   | Annual                        |
| Property subject to upset sale <sup>(c)</sup>                             | Delinquent for past two years |

<sup>(a)</sup>Source: Pocono Mountain School District.

<sup>(b)</sup>Pocono Mountain School District (School District) real property taxes are either due in whole by either the discount amount on September 30 or the face amount on November 30. If the School District does not receive any portion of the tax amount by November 30 a 10% penalty will be applied to the outstanding amount. Property owners in the School District can also elect to pay the School District property taxes in three equal installments August 31, October 31, and December 31. Source: Pocono Mountain School District.

<sup>(c)</sup>A property is subject to upset sale (the sale of a delinquent taxpayer's property) after two years of delinquency.



### MILLAGE RATES

The Taxing Bodies establish their millage rates, the tax rate applied per \$1,000 taxable assessed value, annually. The respective 2025 millage rates for the Taxing Bodies are shown in **TABLE III-C**.

**TABLE III-C**  
**Tax Year 2025 Mill Rates — All Taxing Bodies<sup>(a)</sup>**

| Year | Mill Rate <sup>(a)</sup> |                         |                            |   | Monroe<br>County | Pocono Mountain<br>School District | Total<br>Mill Rate |
|------|--------------------------|-------------------------|----------------------------|---|------------------|------------------------------------|--------------------|
|      | Township                 | Pocono Township<br>Fire | Pocono Township<br>Library | Pocono Township<br>Total <sup>(b)</sup> |                  |                                    |                    |
| 2025 | 3.43                     | 0.30                    | 0.19                       | 3.92                                    | 5.48             | 23.25                              | 32.64              |

<sup>(a)</sup>Source: Monroe County Pennsylvania 2025 Millage Rates, unless expressed otherwise.

<sup>(b)</sup>Comprised of the Township, Fire, and Library millage rates for 2025.

TABLE III-D provides the historical mill rates from Tax Years 2015 through 2025 for the Taxing Bodies.

**TABLE III-D**  
**Historical Mill Rates (Tax Years 2015-2025)<sup>(a)</sup>**

| Year   | Mill Rate <sup>(a)</sup> |                 |                    |               |                                 |                 |
|--|--------------------------|-----------------|--------------------|---------------|---------------------------------|-----------------|
|  | Pocono Township          | Fire (Township) | Library (Township) | Monroe County | Pocono Mountain School District | Total Mill Rate |
| 2015   | 17.35                    | -               | 1.10               | 21.25         | 141.29                          | 180.99          |
| 2016   | 16.10                    | -               | 1.10               | 21.25         | 139.29                          | 177.74          |
| 2017   | 16.10                    | -               | 1.10               | 21.25         | 137.29                          | 175.74          |
| 2018   | 16.00                    | -               | 1.10               | 21.25         | 135.29                          | 173.64          |
| 2019   | 16.10                    | -               | 1.10               | 21.25         | 135.29                          | 173.74          |
| 2020   | 2.11                     | -               | 0.17               | 3.23          | 19.91                           | 25.41           |
| 2021   | 2.16                     | 0.20            | 0.17               | 3.23          | 19.91                           | 25.66           |
| 2022   | 2.43                     | 0.20            | 0.17               | 3.23          | 20.35                           | 26.38           |
| 2023   | 3.43                     | 0.20            | 0.17               | 3.23          | 21.44                           | 28.47           |
| 2024   | 3.43                     | 0.20            | 0.19               | 3.98          | 22.25                           | 30.04           |
| 2025   | 3.43                     | 0.30            | 0.19               | 5.48          | 23.25                           | 32.64           |
| <b>Compound annual increase (since 2020)</b> | <b>10.21%</b>            | <b>-</b>        | <b>1.92%</b>       | <b>11.16%</b> | <b>3.16%</b>                    | <b>5.14%</b>    |

<sup>(a)</sup>Source: County rates provided by Annual Continuing Disclosure Reports for the Tobyhanna Township Project, prepared by MuniCap. School District rates as provided by the Pennsylvania Department of Education Real Estate Tax Rates. Township rates as provided by Trustee.

Projections of assessed value included in this report assume that millage rates increase annually by 2% as shown in the attached **APPENDIX A**.

## IV. HISTORICAL APPRECIATION

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### OVERVIEW

It is generally expected that real and personal property taxes, all else being equal, will increase over time. As noted in **III. TAXATION PROCEDURES**, ad valorem taxes are a function of both the assessed value of the property and the applicable real property tax rates established by the Taxing Bodies. Typically, without consideration for physical changes to the property, the market value of a given parcel increases over time due to appreciation and changes in overall market conditions. Taxing authorities base tax rates on the need to pay for the provision of services. It is also anticipated that the cost of providing these services will increase over time.

As shown in **TABLE III-D**, the millage rates relevant to the TIF District decreased prior to the reassessment in 2020. After the County-wide reassessment, rates in the Township have slowly started to increase. As of the fifth year after the reassessment, 2025, the total millage rate has increased at a compounded annual growth rate of 5.14% since 2020.

On an annual basis, the Pennsylvania State Tax Equalization Board establishes a CLR for each county in the Commonwealth of Pennsylvania (the “Commonwealth”). The CLR represents the relation between the market and assessed value across all real property types in a county based on market sales recorded in the county. Thus, increases in the CLR are an indication of appreciation in the market value of real property. **TABLE IV-A** summarizes the County’s historical CLR and the compounded annual growth rate of 14.87% since the 2020 County-wide reassessment, indicating similar appreciation in market values across all property types in the County over this same period.

Projections included herein assume 2.0% annual appreciation in assessed millage rates under Scenario A. While MuniCap considers this a reasonable assumption, values and millage rates could decrease from current levels in future years.

**TABLE IV-A**  
**Historical CLR<sup>(a)</sup>**

| Calendar Year Ending <sup>(a)</sup>           | Tax Year Ending <sup>(a)</sup> | Monroe County CLR Factor <sup>(b)</sup> |
|---|--------------------------------|---|
| 1997  | 1998                           | 4.29                                    |
| 1998  | 1999                           | 4.18                                    |
| 1999  | 2000                           | 4.22                                    |
| 2000  | 2001                           | 4.27                                    |
| 2001  | 2002                           | 4.41                                    |
| 2002  | 2003                           | 4.70                                    |
| 2003  | 2004                           | 4.95                                    |
| 2004  | 2005                           | 5.59                                    |
| 2005  | 2006                           | 6.14                                    |
| 2006  | 2007                           | 7.09                                    |
| 2007  | 2008                           | 7.81                                    |
| 2008  | 2009                           | 7.81                                    |
| 2009  | 2010                           | 7.41                                    |
| 2010  | 2011                           | 6.33                                    |
| 2011  | 2012                           | 5.95                                    |
| 2012  | 2013                           | 5.15                                    |
| 2013  | 2014                           | 4.55                                    |
| 2014  | 2015                           | 4.27                                    |
| 2015  | 2016                           | 4.57                                    |
| 2016  | 2017                           | 4.46                                    |
| 2017  | 2018                           | 4.35                                    |
| 2018  | 2019                           | 4.69                                    |
| <b>2019</b>                                   | <b>2020</b>                    | <b>1.00</b>                             |
| 2020  | 2021                           | 1.00                                    |
| 2021  | 2022                           | 1.31                                    |
| 2022  | 2023                           | 1.65                                    |
| 2023  | 2024                           | 1.78                                    |
| 2024  | 2025                           | 2.00                                    |
| <b>Compound annual increase<sup>(c)</sup></b> |                                | <b>14.87%</b>                           |

<sup>(a)</sup>The 2024 Common Level Ratio (CLR) for Monroe County is 2.00. The 2024 CLR is applicable from July 1, 2024, to June 30, 2025, as set by the State Tax Equalization Board. Source: Pennsylvania Department of Revenues. For purposes of this report the 2024 CLR is applied to real property assessed values as of January 1, 2025 and for tax year ending 2025.

<sup>(b)</sup>The last county-wide reassessment was completed in calendar year ending 2019, with updated assessed values being effective as of tax year ending 2020. The rate was adjusted from 5.65 to 1.00 and remained the same for 2021.

<sup>(c)</sup>Represents the overall increase and compound annual increase from fiscal year ending 2021 to 2025. This represents all years after the latest county-wide reassessment.

**TABLE IV-B** summarizes the historical collected Tax Increment Revenues for the TIF District.

**TABLE IV-B**  
**Historical Tax Increment Revenues**

| Tax Year<br>Ending | Debt Service<br>Total <sup>(a)</sup> | Cash Collections<br>By Trustee <sup>(b)</sup> |
|--------------------|--------------------------------------|---|
| 2021               | \$1,533,730                          | \$1,611,385                                   |
| 2022               | \$1,533,502                          | \$1,656,218                                   |
| 2023               | \$1,533,425                          | \$1,787,453                                   |
| 2024               | \$1,533,141                          | \$1,886,470                                   |

<sup>(a)</sup>Represents Debt Service on Series 2013 Bonds.

<sup>(b)</sup>Totals include a 2.0% discount available if taxes are paid early.

Represents revenues from the representative Taxing Bodies in each year.

**TABLE IV-C** summarizes the historical assessed value of the TIF District. The years highlighted in grey note the change in assessed value following the County-wide reassessment.

**TABLE IV-C**  
**Historical TIF District Incremental Value**

| Year | Base Parcel Assessed Value |              |              | TIF<br>Percentage | TIF<br>District<br>Value | Base Value  | Incremental<br>Value |
|------|----------------------------|--------------|--------------|-------------------|--------------------------|-------------|----------------------|
|      | Land                       | Building     | Total        |                   |                          |             |                      |
| 2015 | \$402,680                  | \$8,556,150  | \$8,958,830  | 100%              | \$8,958,830              | (\$53,860)  | \$8,904,970          |
| 2016 | \$402,680                  | \$8,556,150  | \$8,958,830  | 100%              | \$8,958,830              | (\$53,860)  | \$8,904,970          |
| 2017 | \$497,860                  | \$8,556,150  | \$9,054,010  | 98%               | \$8,872,930              | (\$53,860)  | \$8,819,070          |
| 2018 | \$497,860                  | \$8,556,150  | \$9,054,010  | 98%               | \$8,872,930              | (\$53,860)  | \$8,819,070          |
| 2019 | \$497,860                  | \$8,556,150  | \$9,054,010  | 98%               | \$8,872,930              | (\$53,860)  | \$8,819,070          |
| 2020 | \$3,703,770                | \$62,076,490 | \$65,780,260 | 98%               | \$64,464,655             | (\$391,310) | \$64,073,345         |
| 2021 | \$3,703,770                | \$62,076,490 | \$65,780,260 | 98%               | \$64,464,655             | (\$391,310) | \$64,073,345         |
| 2022 | \$3,703,770                | \$62,076,490 | \$65,780,260 | 98%               | \$64,464,655             | (\$391,310) | \$64,073,345         |
| 2023 | \$3,703,770                | \$62,076,490 | \$65,780,260 | 98%               | \$64,464,655             | (\$391,310) | \$64,073,345         |
| 2024 | \$3,703,770                | \$62,076,490 | \$65,780,260 | 98%               | \$64,464,655             | (\$391,310) | \$64,073,345         |
| 2025 | \$3,703,770                | \$62,076,490 | \$65,780,260 | 98%               | \$64,464,655             | (\$391,310) | \$64,073,345         |

## V. MARKET OVERVIEW

### GENERAL

The TIF District is located within the south-western region of the Township, centrally located within the County, within the Commonwealth. The TIF District is part of the East Stroudsburg, Pennsylvania Metropolitan Statistical Area (the “MSA”). The MSA is further incorporated within the Allentown-Bethlehem-East Stroudsburg, PA-NJ Combined Statistical Area (the “CSA”). Previously, the County was incorporated within Greater New York City CSA, until updates were made to the incorporated area of the CSA in 2023.

Both the County and Township have seen stagnant populations over the past decade, while the Commonwealth and nation have both grown. The trends in population can be seen in **TABLE V-A** below.

**TABLE V-A**  
**POPULATION CHANGE (1980-2020)**

| Year | Monroe County |          |                  | Pocono Township |          |                  |
|------|---------------|----------|------------------|-----------------|----------|------------------|
|      | Population    | Increase | Percent Increase | Population      | Increase | Percent Increase |
| 1980 | 69,409        |          |                  | 5,233           |          |                  |
| 1990 | 95,709        | 26,300   | 37.89%           | 7,529           | 2,296    | 43.88%           |
| 2000 | 138,687       | 42,978   | 44.90%           | 9,607           | 2,078    | 27.60%           |
| 2010 | 168,080       | 29,393   | 21.19%           | 11,068          | 1,461    | 15.21%           |
| 2020 | 168,824       | 744      | 0.44%            | 10,975          | -93      | -0.84%           |

Source: U.S. Census Bureau

### AGE

Based on U.S. Census Bureau data, the median ages in the Township, County, and Commonwealth are all older than the nation-wide median age. Additionally, the Township’s median age is older than the Commonwealth’s. See **TABLE V-B** below.

**TABLE V-B**  
**MEDIAN AGE COMPARISON**

| Area            | Median Age |
|-----------------|------------|
| Pocono Township | 42.8       |
| Monroe County   | 43.9       |
| Pennsylvania    | 40.9       |
| United States   | 38.7       |

Source: 2023 American Community Survey 5-Year Estimates. U.S. Census Bureau.

## EDUCATION

Educational attainment in the Township lags behind the County, Commonwealth, and nation in both high school diploma or higher and bachelor's degree or higher. See **TABLE V-C**.

**TABLE V-C**  
**EDUCATIONAL ATTAINMENT COMPARISON (POPULATION AGE 25 AND OVER)**

|                        | High School Diploma or Higher |               | Bachelor's Degree or Higher |               |
|------------------------|-------------------------------|---------------|-----------------------------|---------------|
|                        | 2013                          | 2023          | 2013                        | 2023          |
| <b>Pocono Township</b> | <b>91.60%</b>                 | <b>87.90%</b> | <b>27.40%</b>               | <b>27.50%</b> |
| <b>Monroe County</b>   | <b>89.60%</b>                 | <b>90.30%</b> | <b>23.70%</b>               | <b>27.90%</b> |
| Pennsylvania           | 88.70%                        | 91.90%        | 27.50%                      | 34.50%        |
| United States          | 86.00%                        | 89.40%        | 28.80%                      | 35.00%        |

*Source: 2013 and 2023 American Community Survey 5-Year Estimates, U.S. Census Bureau.*

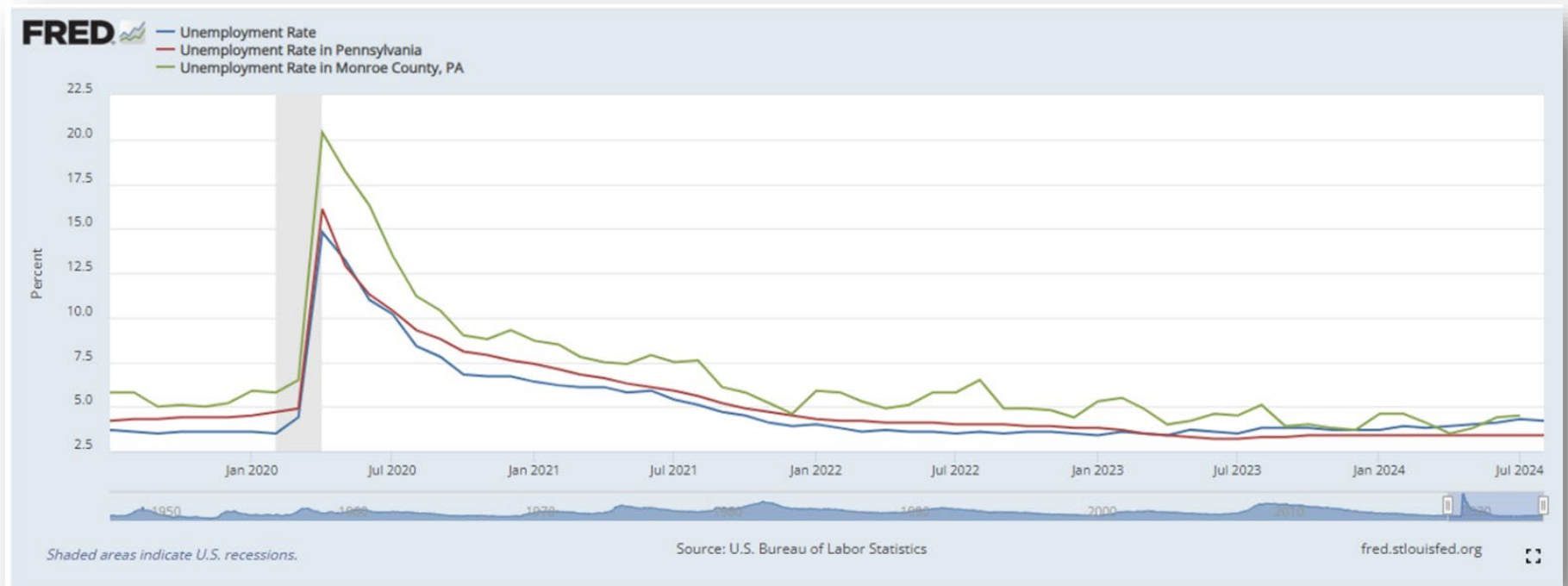
The County is home to two post-secondary institutions, East Stroudsburg University of Pennsylvania, and Northampton Community College.

## **ECONOMIC INDICATORS**

### EMPLOYMENT

Between July 2023 and July 2024, the County's unemployment rate ranged between 3.8% and 5.1%. Over this same period, the Commonwealth's unemployment rate ranged from 3.2% to 3.4%. These numbers are for the most part below the pre-COVID unemployment figures, with the period from January 2018 to January 2019 showing a range of 4.8% to 6.4% for the County, and 4.3% to 4.8% for the Commonwealth. After spiking during the pandemic, these numbers have continued to decline, reaching their current range, described above.

**FIGURE 1: REGIONAL UNEMPLOYMENT RATES HAVE RETURNED TO PRE-PANDEMIC LEVELS**



The County's employment base is centered on the service industry. Major employers include Wal-Mart, CMBK Resort Operations, Kalahari Resorts, and Mt. Airy Casino.

**FIGURE 2** shows the workforce composition in five- and ten-mile radii of the District Development based on data from CoStar, a provider of information, analytics, and marketing service for commercial properties.



FIGURE 2: EMPLOYMENT BY INDUSTRY

| Daytime Employment                  |               |              |                        |               |              |                        |
|-------------------------------------|---------------|--------------|------------------------|---------------|--------------|------------------------|
| Radius                              | 5 miles       |              |                        | 10 miles      |              |                        |
|                                     | Employees     | Businesses   | Employees Per Business | Employees     | Businesses   | Employees Per Business |
| <b>Service-Producing Industries</b> | <b>14,552</b> | <b>1,053</b> | <b>14</b>              | <b>48,350</b> | <b>5,465</b> | <b>9</b>               |
| Trade Transportation & Utilit...    | 2,847         | 279          | 10                     | 10,765        | 980          | 11                     |
| Information                         | 30            | 8            | 4                      | 563           | 79           | 7                      |
| Financial Activities                | 697           | 149          | 5                      | 3,099         | 647          | 5                      |
| Professional & Business Se...       | 538           | 113          | 5                      | 3,705         | 698          | 5                      |
| Education & Health Services         | 1,077         | 184          | 6                      | 11,633        | 1,520        | 8                      |
| Leisure & Hospitality               | 3,703         | 174          | 21                     | 8,595         | 560          | 15                     |
| Other Services                      | 5,460         | 127          | 43                     | 8,113         | 824          | 10                     |
| Public Administration               | 200           | 19           | 11                     | 1,877         | 157          | 12                     |
| <b>Goods-Producing Industries</b>   | <b>2,301</b>  | <b>116</b>   | <b>20</b>              | <b>6,319</b>  | <b>584</b>   | <b>11</b>              |
| Natural Resources & Mining          | 11            | 3            | 4                      | 79            | 13           | 6                      |
| Construction                        | 467           | 88           | 5                      | 1,792         | 414          | 4                      |
| Manufacturing                       | 1,823         | 25           | 73                     | 4,448         | 157          | 28                     |
| <b>Total</b>                        | <b>16,853</b> | <b>1,169</b> | <b>14</b>              | <b>54,669</b> | <b>6,049</b> | <b>9</b>               |

### INCOME

From 2013 to 2023, median household income in the Township grew at a quicker rate than the median household income nationwide. See the following table for further information.

**TABLE V-D**  
**COMPARISON OF HOUSEHOLD INCOME AND INDIVIDUAL EARNINGS**

|                        | Household Income |           |          |       | Individual Earnings (Full-Time, Year-Round) |          |          |       |
|------------------------|------------------|-----------|----------|-------|---|----------|----------|-------|
|                        | 2013             | 2023      | % Change | CAGR  | 2013  | 2023     | % Change | CAGR  |
| <b>Pocono Township</b> |                  |           |          |       |   |          |          |       |
| Median                 | \$56,077         | \$95,464  | 70.24%   | 6.09% | -   | \$56,279 | -        | -     |
| Mean                   | \$76,386         | \$104,655 | 37.01%   | 3.56% | \$59,951                                    | \$68,069 | 13.54%   | 1.42% |
| <b>Monroe County</b>   |                  |           |          |       |   |          |          |       |
| Median                 | \$57,408         | \$82,374  | 43.49%   | 4.09% | -   | \$58,546 | -        | -     |
| Mean                   | \$70,696         | \$100,240 | 41.79%   | 3.96% | \$54,532                                    | \$71,719 | 31.52%   | 3.09% |
| <b>Pennsylvania</b>    |                  |           |          |       |   |          |          |       |
| Median                 | \$52,548         | \$76,081  | 44.78%   | 4.20% | -   | \$60,943 | -        | -     |
| Mean                   | \$71,088         | \$104,925 | 47.60%   | 4.42% | \$58,345                                    | \$81,697 | 40.02%   | 3.81% |
| <b>United States</b>   |                  |           |          |       |   |          |          |       |
| Median                 | \$53,046         | \$78,538  | 48.06%   | 4.46% | -   | \$59,855 | -        | -     |
| Mean                   | \$73,487         | \$110,491 | 50.35%   | 4.64% | \$58,701                                    | \$82,838 | 41.12%   | 3.90% |

Source: 2013 ACS 5-Years Estimates and 2023 ACS 5-Year Estimates. U.S. Census Bureau.

## CONSUMER SPENDING

According to U.S. Bureau of Economic Analysis, per capita personal consumption expenditures for the Commonwealth increased from \$24,801 as of January 1, 2000, to \$57,009 as of January 1, 2023, a compounded annual increase of 3.69%. An analysis by CoStar projects that per capita consumer spending in the market area will continue to increase by 1.75% annually over the next five years.

**FIGURE 4: AVERAGE SPENDING IN THE SUBMARKET IS PROJECTED TO INCREASE BY 1.75% ANNUALLY  
HOUSEHOLD & PER CAPITA SPENDING – 2024**

| Consumer Spending Details     |                |               |            |                |               |            |                 |               | 2024       | 2029 |
|-------------------------------|----------------|---------------|------------|----------------|---------------|------------|-----------------|---------------|------------|------|
| Radius                        | 2 miles        |               |            | 5 miles        |               |            | 10 miles        |               |            |      |
| Expand All                    | Total Spending | Avg Household | Per Capita | Total Spending | Avg Household | Per Capita | Total Spending  | Avg Household | Per Capita |      |
| Apparel                       | \$1,947,005    | \$1,861       | \$752      | \$14,371,604   | \$1,755       | \$674      | \$72,554,464    | \$1,722       | \$639      |      |
| Entertainment, Hobbies & P... | \$5,296,011    | \$5,063       | \$2,046    | \$38,472,822   | \$4,698       | \$1,804    | \$191,835,092   | \$4,553       | \$1,690    |      |
| Food & Alcohol                | \$10,266,692   | \$9,815       | \$3,967    | \$75,685,321   | \$9,242       | \$3,549    | \$379,150,131   | \$9,000       | \$3,340    |      |
| Household                     | \$6,087,723    | \$5,820       | \$2,352    | \$44,159,429   | \$5,393       | \$2,070    | \$215,325,667   | \$5,111       | \$1,897    |      |
| Transportation & Maintenance  | \$9,190,519    | \$8,786       | \$3,551    | \$78,278,058   | \$9,559       | \$3,670    | \$379,786,500   | \$9,015       | \$3,346    |      |
| Health Care                   | \$1,895,741    | \$1,812       | \$733      | \$13,881,930   | \$1,695       | \$651      | \$68,604,411    | \$1,628       | \$604      |      |
| Education & Daycare           | \$2,491,988    | \$2,382       | \$963      | \$16,271,353   | \$1,987       | \$763      | \$77,887,731    | \$1,849       | \$686      |      |
| Total Specified Consumer S... | \$37,175,679   | \$35,541      | \$14,365   | \$281,120,517  | \$34,329      | \$13,181   | \$1,385,143,996 | \$32,878      | \$12,203   |      |

## HOUSEHOLD & PER CAPITA SPENDING – 2029 (PROJECTED)

| Consumer Spending Details     |                |               |            |                |               |            |                 |               | 2024       | 2029 |
|-------------------------------|----------------|---------------|------------|----------------|---------------|------------|-----------------|---------------|------------|------|
| Radius                        | 2 miles        |               |            | 5 miles        |               |            | 10 miles        |               |            |      |
| Expand All                    | Total Spending | Avg Household | Per Capita | Total Spending | Avg Household | Per Capita | Total Spending  | Avg Household | Per Capita |      |
| Apparel                       | \$2,108,493    | \$1,978       | \$799      | \$15,158,899   | \$1,866       | \$716      | \$76,806,909    | \$1,828       | \$679      |      |
| Entertainment, Hobbies & P... | \$5,642,187    | \$5,293       | \$2,138    | \$39,872,403   | \$4,909       | \$1,884    | \$199,923,155   | \$4,758       | \$1,767    |      |
| Food & Alcohol                | \$11,392,332   | \$10,687      | \$4,317    | \$81,835,022   | \$10,076      | \$3,866    | \$412,228,182   | \$9,810       | \$3,643    |      |
| Household                     | \$6,470,668    | \$6,070       | \$2,452    | \$45,639,303   | \$5,619       | \$2,156    | \$224,285,946   | \$5,337       | \$1,982    |      |
| Transportation & Maintenance  | \$10,802,255   | \$10,133      | \$4,093    | \$89,266,554   | \$10,991      | \$4,217    | \$435,710,666   | \$10,369      | \$3,850    |      |
| Health Care                   | \$2,143,856    | \$2,011       | \$812      | \$15,307,059   | \$1,885       | \$723      | \$76,127,530    | \$1,812       | \$673      |      |
| Education & Daycare           | \$2,741,803    | \$2,572       | \$1,039    | \$17,531,334   | \$2,158       | \$828      | \$84,416,457    | \$2,009       | \$746      |      |
| Total Specified Consumer S... | \$41,301,594   | \$38,744      | \$15,650   | \$304,610,574  | \$37,504      | \$14,390   | \$1,509,498,845 | \$35,922      | \$13,338   |      |

## **HOME VALUES AND OWNERSHIP CHARACTERISTICS**

Median values for owner-occupied homes have fallen behind the national average over the previous decade. The growth rates in home prices have remained significantly lower than the Pennsylvania or nationwide average, as shown in **TABLE V-E** below.

**TABLE V-E**  
**HOME VALUE COMPARISON**

| Area            | Median Home Value (Owner-Occupied Units) |           |                |       |
|-----------------|--|-----------|----------------|-------|
|                 | 2013                                     | 2023      | Percent Change | CAGR  |
| Pocono Township | \$215,200                                | \$243,800 | 13.29%         | 1.40% |
| Monroe County   | \$191,800                                | \$241,200 | 25.76%         | 2.58% |
| Pennsylvania    | \$164,700                                | \$240,500 | 46.02%         | 4.30% |
| United States   | \$176,700                                | \$303,400 | 71.70%         | 6.19% |

*Source: 2013 and 2023 ACS 5-Year Estimates U.S. Census Bureau.*

## **MARKET SECTOR OVERVIEW**

### **RETAIL SUBMARKET**

CoStar reports that the vacancy rate in the County retail sub-market is 2.7%, an increase of 1.0% over the past twelve months. During this period, there has been a net of 22,000 square feet delivered, with roughly -60,000 square feet of net absorption. Rents are around \$16.37/square foot, which is a 1.5% increase from where they were a year ago. In the past five years, rents have increased by 2.7% per year on average.

### **OFFICE SUBMARKET**

CoStar reports that the vacancy rate in the County office sub-market is 3.8%, a decrease of 2.7% over the past twelve months. During this period, 80,000 square feet have been absorbed, with no square feet having been delivered. Rents are around \$21.36/square foot, which is a 0.7% increase from where they were a year ago. In the past five years, rents have increased by 2.7% per year on average. According to CoStar, no office space is currently under construction in the submarket.

### **INDUSTRIAL SUBMARKET**

CoStar reports that the vacancy rate in the County industrial sub-market is 4.9%, a decrease of 4.0% over the past twelve months. During this period, construction resulted in 1,700,000 square feet absorbed. Rents are around \$8.60/square foot, which is a 4.1% increase from where they were a year ago. In the past five years, rents have increased by 7.4% per year on average.

### **HOTEL SUBMARKET**

CoStar reports that, in the past twelve months, occupancies in Poconos and Stroudsburg Hospitality Submarket averaged 62.1%, which is above the market average of 60.5% for the same period. As of May 2025, the twelve-month average RevPAR in the Poconos and Stroudsburg submarket has dropped by 7.9%.

### **MULTIFAMILY SUBMARKET**

CoStar reports that the vacancy rate in the County multifamily sub-market is 4.4%, a decrease of 0.8% over the past twelve months. During this period, no units have been delivered, and 15 units have been absorbed. Rents are averaging \$1,872/month, which is a 1.3% increase from where they were a year ago. In the past five years, rents have increased by 3.3% per year on average.

## VI. DESCRIPTION OF THE DISTRICT

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### HISTORY

Pursuant to the Pennsylvania Tax Increment Financing Act, 53 P.S. § 6930.1 *et seq.*, as amended (the “TIF Act”), the Township Commissioners enacted the Ordinance 2013-06 on July 15, 2013, creating the TIF District.

The TIF District is bound by Resort Drive to the north and west, and a wooded area owned by Camelback Mountain Resort to the south and east. According to the TIF Act, the TIF District was created to facilitate the financing of certain off-site improvements, road improvements, and the purchase and installation of furniture, fixtures, and equipment. These improvements were necessary to enable the private development of the Camelback Mountain Resort, as subsequently described herein.

The TIF District was created on July 15, 2013, and as of that date, the base value was \$53,860. Upon creation of the TIF District and the related base value, the most recent date that a county-wide reassessment had been completed was 1989, with all assessed values indexed to match their 1989 values. As previously stated, the County conducted a County-wide reassessment that started in August 2016 and was completed in July 2019 for tax year ending 2020. As a result of the County-wide reassessment the base assessed value of real property within the TIF District increased to \$391,310.

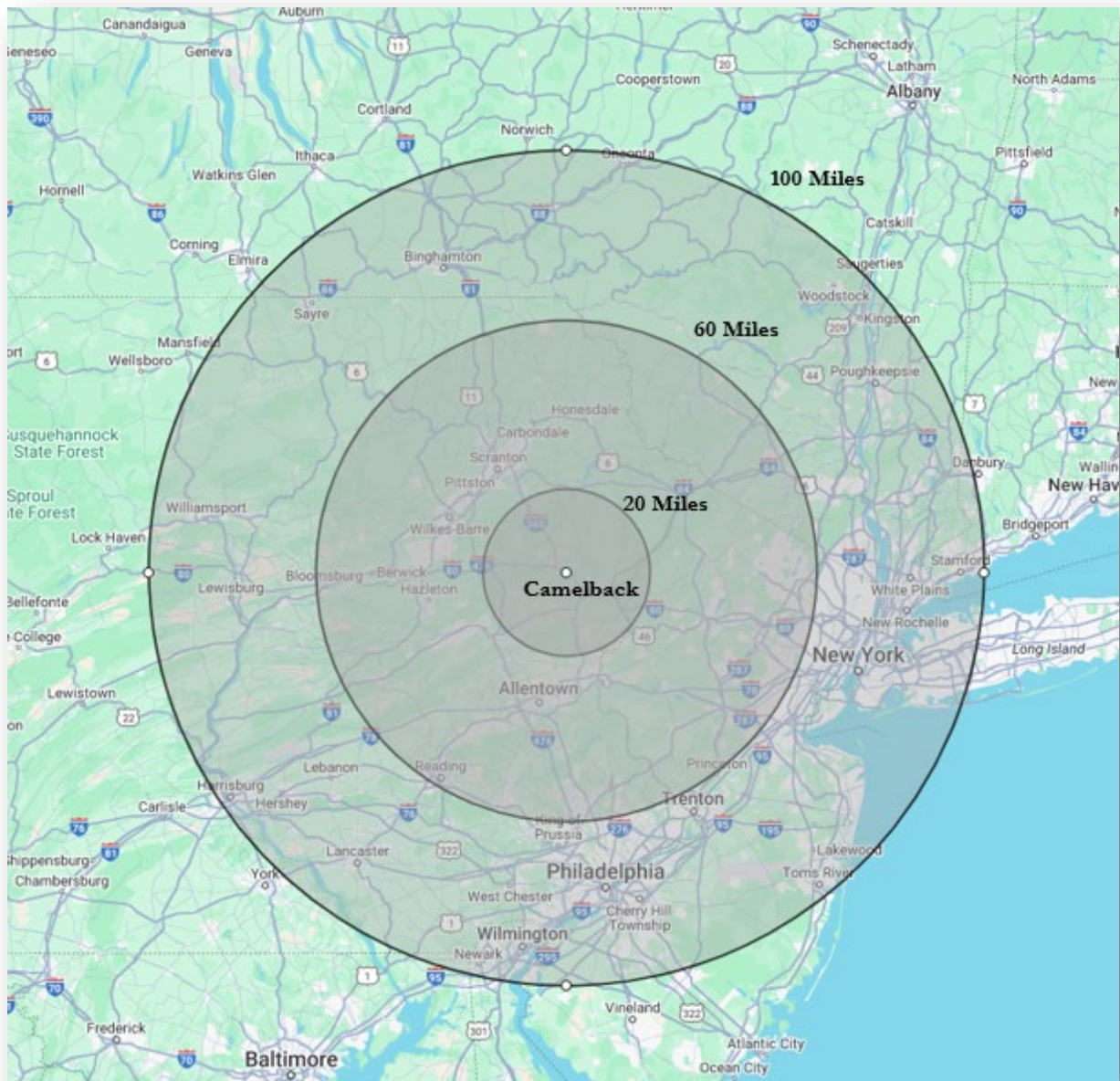
### RELATIVE LOCATION OF DISTRICT

The TIF District encompasses approximately twenty five acres in the Pocono Township, Monroe County, Pennsylvania. Approximately 88 miles from Manhattan and 96 miles from downtown Philadelphia, the TIF District lies within the Pocono Mountains region (a stretch of the Appalachian Mountain chain in the northeast portion of the Commonwealth).

See **EXHIBIT A** on the following page for a map denoting distance from nearby cities.



## EXHIBIT A: MILEAGE FROM TIF DISTRICT

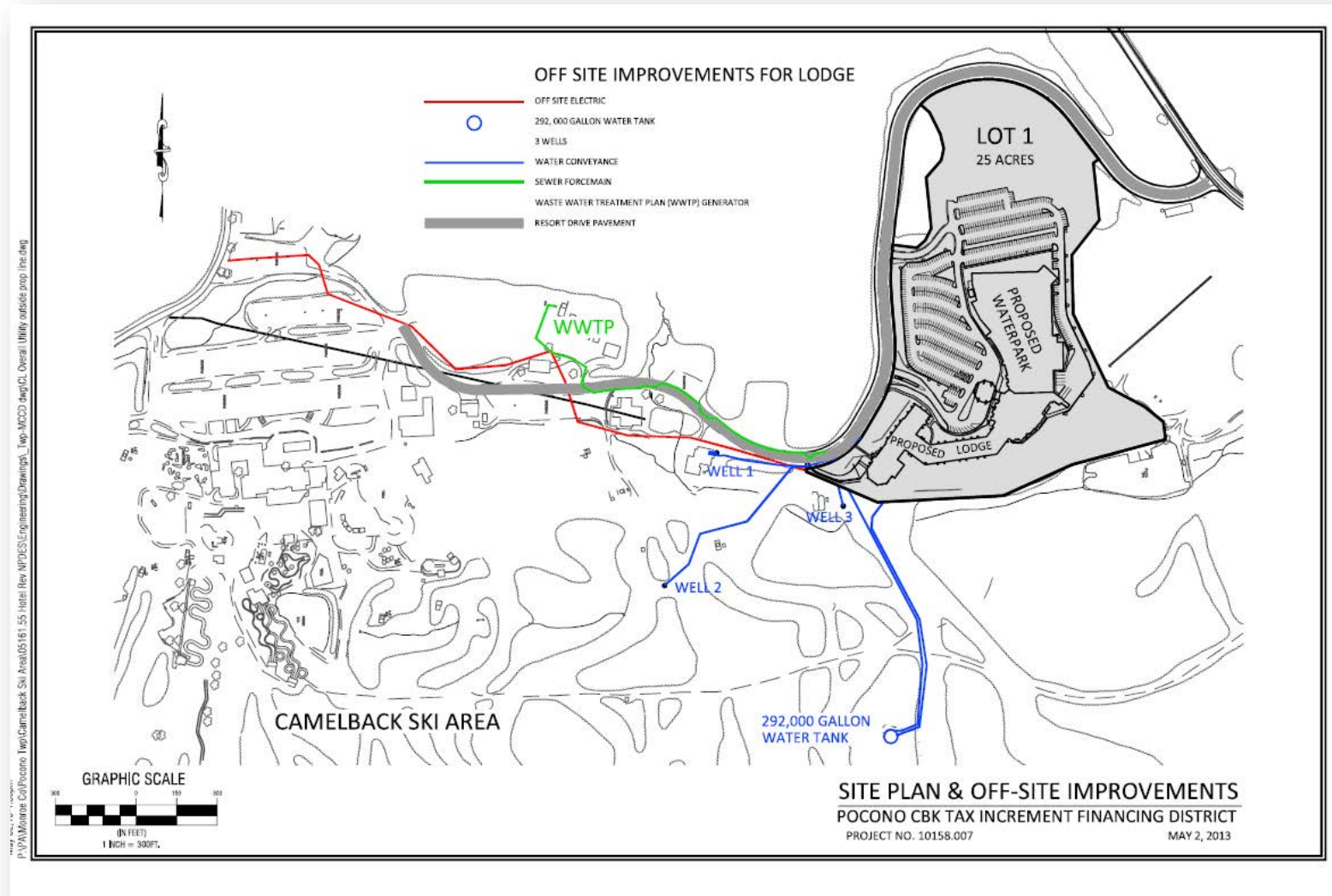


Within the TIF District, an approximately twenty five acre site, sits the portion of the Camelback Mountain Resort comprising the one parcel pledging revenues to the bonds. The portion of the Camelback Mountain Resort within the TIF District is made up of a hotel, indoor waterpark, related parking, and public improvements.

As estimated by MuniCap using County Assessor data, the current assessed value of real property within the TIF District as of January 1, 2024, was \$65,780,260. Due to a parcel consolidation that occurred in 2017, the TIF District only comprises 98% of the parcel value.

See **EXHIBIT B** on the following page for a map of the TIF District's boundaries. The boundaries of the TIF District are defined using the thick black line, are labeled 'Lot 1', and shaded in grey. The remaining area represents the other two parcels comprising the Camelback Mountain Resort not included in the TIF District.

## EXHIBIT B: TIF DISTRICT





### **THE 2013 BONDS**

Pursuant to the TIF Act and the 2013 Trust Indenture, dated December 1, 2013, the Issuer issued 2013 Bonds.<sup>4</sup> The 2013 Bonds are dated December 12, 2013, in the original aggregate principal amount of \$13,821,000. The proceeds from the 2013 Bonds were applied in part to finance the costs of the TIF District.

Under provisions of the TIF Act and the 2013 Trust Indenture, the Issuer is authorized and empowered to issue tax increment financing revenue refunding bonds, supported by tax increment revenues, to pay in full and discharge all or any parts of the outstanding 2013 Bonds, to fund a reserve fund pledged to the payment of the tax increment revenue refunding bonds, and to pay the costs associated with the issuance of such obligations and related costs.

The outstanding principal amount of the 2013 Bonds is \$9,534,000 as of December 1, 2024.

### **THE 2025 BONDS**

#### **AUTHORITY AND USES**

On February 26, 2025, the Authority adopted the Resolution authorizing the issuance of the 2025 Bonds for the following purposes:

- to refund all of the outstanding amount of the Authority's 2013 Bonds;
- to fund the Debt Service Reserve Fund; and
- to pay certain costs relating to the issuance of the 2025 Bonds.

#### **SECURITY**

The 2025 Bonds are secured by Tax Increment Revenues and certain funds and accounts created in the Trust Indenture, including the Debt Service Reserve Fund, and interest earnings, as set forth in the POS.

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<sup>4</sup>Source: Indenture dated December 1, 2013. Written in relation to the issuance of the 2013 Bonds.

## VII. DISTRICT DEVELOPMENT

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### OVERVIEW

As previously mentioned, the TIF District includes an entertainment facility consisting of an indoor theme park, complemented by hotel and parking components. This forms a portion of the larger Camelback Mountain Resort.

Components of the TIF District are as shown in **TABLE VII-A**

**TABLE VII-A**  
**CAMELBACK MOUNTAIN RESORT – TIF DISTRICT<sup>(a)</sup>**

| Development Type  | Completion Date | Rooms      | GSF            | Spaces     |
|-------------------|-----------------|------------|----------------|------------|
| Hotel             | 2015            | 443        | 442,285        | -          |
| Indoor water park | 2015            | -          | 133,932        | -          |
| Parking           | 2015            | -          | -              | 639        |
| <b>Total</b>      |                 | <b>443</b> | <b>576,217</b> | <b>639</b> |

<sup>(a)</sup>Based on information reported in the *TIF Plan* dated May 2013.

**Exhibit C**, below, shows photographs of the District Development.

## EXHIBIT C: PHOTOGRAPHS OF THE DEVELOPMENT

### *DISTRICT DEVELOPMENT*



ABOVE: RESORT EXTERIOR & LODGING



ABOVE: INDOOR WATER PARK

# VIII. PROJECTION OF ASSESSED VALUE

## OVERVIEW

As outlined in the discussion on assessment procedures in the County in **II. TAX ASSESSMENT PROCEDURES**, assessed values are based on the Common Level Ratio, which is applied to the fair market value to arrive at assessed value. This section of the report includes the estimated assessed value and an explanation of the methodology used for each of the proposed development types within the District Development.

## ASSUMPTIONS

The District Development is assumed to be complete as of the writing of this report, with no future expansion plans known at the time of writing.

It should be noted that MuniCap has made no effort to independently evaluate the general market viability of the development plan and its capacity to remain a viable operating development.

As previously explained in **IV. HISTORICAL APPRECIATION**, this report assumes no appreciation in property values. However, there is an assumed 2% annual growth in millage rates, which will result in Tax Increment Revenues growing by approximately 2% annually under Scenario A. See the appended projections for further background.

For purposes of estimating values in this report, MuniCap interviewed the County Assessor and analyzed current market and assessed values.

Total assessed and base value for the TIF District is shown in **TABLE VIII-A**. It is unknown if future appeals will be filed by the property owner on future increases in assessed value.

**TABLE VIII-A**  
**ASSESSED VALUE – TIF DISTRICT**

| Actual Assessed Value (2024) <sup>(a)</sup> |                     |
|---|---------------------|
| <i>Parcel Value</i>                         |                     |
| Land value                                  | \$3,703,770         |
| Building value                              | \$62,076,490        |
| Sub-total parcel value                      | \$65,780,260        |
| TIF percentage of value                     | 98%                 |
| Sub-total                                   | \$64,464,655        |
| (Less): Base                                | (\$391,310)         |
| <b>Total Development Incremental Value</b>  | <b>\$64,073,345</b> |

<sup>(a)</sup>Parcel value shown represents 2024 assessed value. Per information received from the County, this value will remain unchanged for 2025.



## IX. PROJECTION OF TAX INCREMENT REVENUES

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### OVERVIEW

Based on the assessed values stated in **TABLE VIII-A** and the millage rates shown in **TABLE III-C**, projected Tax Increment Revenues under the different scenarios considered are as shown in **TABLE IX-A**. Refer to **APPENDICES A AND B**, attached hereto, for detailed projections of Tax Increment Revenues on an annual basis.

**TABLE IX-A**  
**Projected Tax Increment Revenues**

|                                       | Projected Tax Increment Revenues        |                            |
|---------------------------------------|---|----------------------------|
|                                       | Bond Year<br>Ending 2027 <sup>(a)</sup> | Cumulative<br>Through 2033 |
| <b>Scenario A (With Appreciation)</b> | \$2,075,423                             | <b>\$17,464,014</b>        |
| <b>Scenario B (No Appreciation)</b>   | \$2,034,429                             | <b>\$16,269,085</b>        |
| Difference                            | (\$40,995)                              | (\$1,194,928)              |

<sup>(a)</sup>Tax Increment Revenues for bond year ending 2027 are based on the assessed value as of January 1, 2026.

## X. PROJECTED DEBT SERVICE COVERAGE

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### OVERVIEW

The total par amount of the 2025 Bonds is [\$7,545,000].<sup>5</sup> Projected debt service for the 2025 Bonds to be paid from the Tax Increment Revenues. Projected debt service coverage for the two scenarios considered is shown in the accompanying **TABLES X-A AND X-B**.

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<sup>5</sup> Preliminary, subject to change.

**TABLE X-A**  
**Projected Debt Service Coverage — 2025 Bonds (Scenario A)**

| Tax<br>Year<br>Ending | Bond<br>Year<br>Ending | Refunding<br>Debt Service <sup>(a)</sup> | Tax Increment<br>Revenues Available<br>for Debt Service <sup>(b)</sup> | Surplus<br>(Deficit) | Net<br>Surplus/<br>(Deficit) | Cumulative<br>Surplus | Debt Service Coverage |                   |
|-----------------------|------------------------|--|--|----------------------|------------------------------|-----------------------|-----------------------|-------------------|
|                       |                        |  |  |                      |                              |                       | TIF<br>Revenues       | Total<br>Revenues |
| 30-Nov-25             | 1-Jul-26               | \$1,042,190                              | \$2,034,729  | \$992,539            | \$992,539                    | \$992,539             | 195%                  | 195%              |
| 30-Nov-26             | 1-Jul-27               | \$1,181,750                              | \$2,075,423  | \$893,673            | \$893,673                    | \$1,886,212           | 176%                  | 176%              |
| 30-Nov-27             | 1-Jul-28               | \$1,179,750                              | \$2,116,932  | \$937,182            | \$937,182                    | \$2,823,394           | 179%                  | 179%              |
| 30-Nov-28             | 1-Jul-29               | \$1,180,750                              | \$2,159,270  | \$978,520            | \$978,520                    | \$3,801,915           | 183%                  | 183%              |
| 30-Nov-29             | 1-Jul-30               | \$1,184,500                              | \$2,202,456  | \$1,017,956          | \$1,017,956                  | \$4,819,870           | 186%                  | 186%              |
| 30-Nov-30             | 1-Jul-31               | \$1,180,750                              | \$2,246,505  | \$1,065,755          | \$1,065,755                  | \$5,885,625           | 190%                  | 190%              |
| 30-Nov-31             | 1-Jul-32               | \$1,179,750                              | \$2,291,435  | \$1,111,685          | \$1,111,685                  | \$6,997,310           | 194%                  | 194%              |
| 30-Nov-32             | 1-Jul-33               | \$426,750                                | \$2,337,264  | \$1,910,514          | \$1,910,514                  | \$8,907,824           | 548%                  | 548%              |
| Total                 |                        | \$8,556,190                              | \$17,464,014   | \$8,907,824          | \$8,907,824                  |                       |                       |                   |

<sup>(a)</sup>Source: Provided by Stifel Nicolaus and Co. See Appendix C. Assumes the reserve fund is applied in the final year of bonds.

<sup>(b)</sup>See Appendix A-2.



**TABLE X-B**  
**Projected Debt Service Coverage—2025 Bonds (Scenario B)**

| Tax<br>Year<br>Ending | Bond<br>Year<br>Ending | Refunding<br>Debt Service <sup>(a)</sup> | Tax Increment<br>Revenues Available<br>for Debt Service <sup>(b)</sup> | Surplus<br>(Deficit) | Net<br>Surplus/<br>(Deficit) | Cumulative<br>Surplus | Debt Service Coverage |                   |
|-----------------------|------------------------|--|--|----------------------|------------------------------|-----------------------|-----------------------|-------------------|
|                       |                        |  |  |                      |                              |                       | TIF<br>Revenues       | Total<br>Revenues |
| 30-Nov-25             | 1-Jul-26               | \$1,042,190                              | \$2,034,729  | \$992,539            | \$992,539                    | \$992,539             | 195%                  | 195%              |
| 30-Nov-26             | 1-Jul-27               | \$1,181,750                              | \$2,034,429  | \$852,679            | \$852,679                    | \$1,845,218           | 172%                  | 172%              |
| 30-Nov-27             | 1-Jul-28               | \$1,179,750                              | \$2,034,123  | \$854,373            | \$854,373                    | \$2,699,591           | 172%                  | 172%              |
| 30-Nov-28             | 1-Jul-29               | \$1,180,750                              | \$2,033,811  | \$853,061            | \$853,061                    | \$3,552,651           | 172%                  | 172%              |
| 30-Nov-29             | 1-Jul-30               | \$1,184,500                              | \$2,033,492  | \$848,992            | \$848,992                    | \$4,401,643           | 172%                  | 172%              |
| 30-Nov-30             | 1-Jul-31               | \$1,180,750                              | \$2,033,167  | \$852,417            | \$852,417                    | \$5,254,061           | 172%                  | 172%              |
| 30-Nov-31             | 1-Jul-32               | \$1,179,750                              | \$2,032,836  | \$853,086            | \$853,086                    | \$6,107,147           | 172%                  | 172%              |
| 30-Nov-32             | 1-Jul-33               | \$426,750                                | \$2,032,498  | \$1,605,748          | \$1,605,748                  | \$7,712,896           | 476%                  | 476%              |
| Total                 |                        | \$8,556,190                              | \$16,269,085   | \$7,712,896          | \$7,712,896                  |                       |                       |                   |

<sup>(a)</sup>Source: Provided by Stifel Nicolaus and Co. See Appendix C. Assumes the reserve fund is applied in the final year of bonds.

<sup>(b)</sup>See Appendix B-2.

## XI. ASSUMPTIONS AND LIMITATIONS

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The valuation of real property for tax purposes is determined by the County Assessor. The values established by County Assessor will almost certainly differ from the estimates included in this report. The process of determining property values for tax purposes is not as straightforward or as simple as the analysis in this report. Many factors not considered in this report may impact actual future values, and property values are not likely to be consistent from year to year. Values can change significantly over time, with values in a given year materially higher or lower than values in previous years.

The County Assessor often relies on market data to estimate the value of property. Property values can be appealed, competition can be greater, or national or local market conditions can change; in short, there are many factors that can affect the valuation of property. These factors make the projection of future values an imprecise exercise.

This report assumes that taxes levied will be remitted on a timely basis, and that TIF Revenues will be generated through the continued operation of the resort. This report does not include an analysis to determine if the owners of property constituting the TIF District will be able or willing to pay property taxes or if the County will be able to collect unpaid taxes. The actual delinquencies of Tax Increment Revenues in the TIF District will likely be different than assumed in this report and a significant increase in the failure to pay property taxes would materially reduce the Tax Increment Revenues available for debt service on the 2025 Bonds.

This report estimates future Tax Increment Revenues based on current tax rates. Scenario A included herein assumes a 2% annual increase in tax rates. Tax and fee rates may vary in future years and differ from those assumed in this report. A significant decrease in tax and fee rates would materially affect the Tax Increment Revenues available for repayment of debt service on the 2025 Bonds.

This report assumes real property values will remain constant. Changes in values will not be consistent from year to year, and values could decrease.

This report does not consider any credits or tax incentives that could offset ad valorem taxes levied on properties within the TIF District. Property owners could seek and receive credits or incentives not contemplated in this report. The taxing jurisdictions could introduce new credits, exemptions, or abatements applicable to parcels within the TIF District. An increase in tax credits and incentives claimed could materially reduce the Tax Increment Revenues available for debt service.

The POS includes additional information on the District Development, the collection of property taxes, and other matters relevant to this report, including risk factors related to the 2025 Bonds. This report should be reviewed in conjunction with the POS and all relevant information therein applies to this report.

Numerous sources of information were used in the preparation of this report. These sources are believed to be reliable; however, no effort has been made to verify information obtained from other sources.

In summary, this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment, and other matters. Some estimates or assumptions will inevitably not materialize, and unanticipated events and circumstances will occur. As a result, actual results will vary from the estimates in this report and the variations may be material.

Other assumptions made in the preparation of this report and limiting conditions to this report are as follows:

1. There are no zoning, building, safety, environmental or other federal, state, or local laws, regulations, or codes that would prohibit or impair the operation of the subject properties in the manner contemplated in this report, and the subject properties will be operated in compliance with all applicable laws, regulations, and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code affecting the subject properties or (b) any federal, state or local grant, financing or other program to be utilized in connection with the subject properties.
3. The local, national and international economies will not deteriorate and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject properties will be served by adequate transportation, utilities, and governmental facilities.
5. The subject properties will not be subjected to any war, energy crises, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject properties will be operated in a highly professional manner.
7. There are no existing, impending or threatened litigation that could hinder the operation of the subject properties.
8. MuniCap does not have expertise in and has no responsibility for legal, environmental, architectural, geologic, engineering, and other matters related to the operation of the subject properties.

## **ADDENDUM A: CoStar REALTY INFORMATION, INC. DISCLAIMER**

The modeling, calculations, forecasts, projections, evaluations, analyses, simulations, or other forward-looking information prepared by CoStar (“CoStar”) and presented herein (the “CoStar Materials”) are based on various assumptions concerning future events and circumstances, all of which are uncertain and subject to change without notice. Actual results and events may differ materially from the projections presented. All CoStar Materials speak only as of the date referenced with respect to such data and may have changed since such date, which changes may be material. You should not construe any of the CoStar Materials as investment, tax, accounting, or legal advice.

CoStar does not purport that the CoStar Materials herein are comprehensive, and, while they are believed to be accurate, the CoStar Materials are not guaranteed to be free from error, omission or misstatement. CoStar has no obligation to update any of the CoStar Materials included in this document. Any user of any such CoStar Materials accepts them “AS IS” WITHOUT ANY WARRANTIES WHATSOEVER, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT, TITLE, AND FITNESS FOR ANY PARTICULAR PURPOSE. UNDER NO CIRCUMSTANCES SHALL COSTAR OR ANY OF ITS AFFILIATES, OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, BE LIABLE FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER ARISING OUT OF THE COSTAR MATERIALS, EVEN IF COSTAR OR ANY OF ITS AFFILIATES HAS BEEN ADVISED AS TO THE POSSIBILITY OF SUCH DAMAGES.

The CoStar Materials do not purport to contain all the information that may be required to evaluate the business and prospects of the TIF District or any purchase or sale of the 2025 Bonds. Any potential investor should conduct his, her or its own independent investigation and analysis of the merits and risks of an investment in the 2025 Bonds. CoStar does not sponsor, endorse, offer or promote an investment in the 2025 Bonds. The user of any such CoStar Materials accepts full responsibility for his, her or its own investment decisions and for the consequences of those decisions.

**Camelback Pocono  
Monroe County, PA**

**APPENDICES TO REVENUE REPORT**

**DRAFT**

**Prepared By:**

**MUNICAP, INC.**  
— PUBLIC FINANCE —

**July 11, 2025**

*Camelback Pocono  
Monroe County, PA*

Schedule I: Development Summary

| Development<br>Type     | Property Area <sup>(a)</sup> |         |       |        | Total                         |
|-------------------------|------------------------------|---------|-------|--------|-------------------------------|
|                         | Rooms                        | GSF     | Acres | Spaces | Assessed Value <sup>(b)</sup> |
| <i>Camelback Resort</i> |                              |         |       |        |                               |
| Hotel                   | 443                          | 442,285 | -     | -      |                               |
| Indoor water park       | -                            | 133,932 | -     | -      |                               |
| Sub-total resort        | 443                          | 576,217 |       |        | \$65,780,260                  |
| Parking (surface)       | -                            | -       | -     | 639    | -                             |
| Total                   | 443                          | 576,217 | 0     | 639    | 65,780,260                    |

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<sup>(a)</sup>Source: Private Placement Memorandum for the Monroe County Industrial Development Authority Tax Increment Financing Revenue Bonds (Camelback Pocono Township Project) Series 2013 (Federally Taxable).

<sup>(b)</sup>Source: Monroe County, PA Parcel Search. Accessed by MuniCap on March 12, 2025.

*Camelback Pocono  
Monroe County, PA*

Schedule II: Projected Incremental Assessed Value

| Assessed<br>As Of | Tax Year<br>Ending <sup>(a)</sup> | Bond Year<br>Ending <sup>(b)</sup> | Assessed Value                      |  |                   | Projected Incremental Value       |                                     |
|-------------------|-----------------------------------|------------------------------------|-------------------------------------|--|-------------------|-----------------------------------|-------------------------------------|
|                   |                                   |                                    | Parcel<br>Assessment <sup>(c)</sup> | TIF Percentage<br>of Total Parcel <sup>(d)</sup> | TIF<br>Assessment | Base<br>Assessment <sup>(e)</sup> | Total Incremental<br>Assessed Value |
| 1-Jan-24          | 30-Oct-24                         | 30-Jun-24                          | \$65,780,260                        | 98%  | \$64,464,655      | (\$391,310)                       | \$64,073,345                        |
| 1-Jan-25          | 30-Oct-25                         | 30-Jun-25                          | \$65,780,260                        | 98%  | \$64,464,655      | (\$391,310)                       | \$64,073,345                        |
| 1-Jan-26          | 30-Oct-26                         | 30-Jun-26                          | \$65,780,260                        | 98%  | \$64,464,655      | (\$391,310)                       | \$64,073,345                        |
| 1-Jan-27          | 30-Oct-27                         | 30-Jun-27                          | \$65,780,260                        | 98%  | \$64,464,655      | (\$391,310)                       | \$64,073,345                        |
| 1-Jan-28          | 30-Oct-28                         | 30-Jun-28                          | \$65,780,260                        | 98%  | \$64,464,655      | (\$391,310)                       | \$64,073,345                        |
| 1-Jan-29          | 30-Oct-29                         | 30-Jun-29                          | \$65,780,260                        | 98%  | \$64,464,655      | (\$391,310)                       | \$64,073,345                        |
| 1-Jan-30          | 30-Oct-30                         | 30-Jun-30                          | \$65,780,260                        | 98%  | \$64,464,655      | (\$391,310)                       | \$64,073,345                        |
| 1-Jan-31          | 30-Oct-31                         | 30-Jun-31                          | \$65,780,260                        | 98%  | \$64,464,655      | (\$391,310)                       | \$64,073,345                        |
| 1-Jan-32          | 30-Oct-32                         | 30-Jun-32                          | \$65,780,260                        | 98%  | \$64,464,655      | (\$391,310)                       | \$64,073,345                        |
| 1-Jan-33          | 30-Oct-33                         | 30-Jun-33                          | \$65,780,260                        | 98%  | \$64,464,655      | (\$391,310)                       | \$64,073,345                        |

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<sup>(a)</sup> According to Monroe County and Pocono Mountain School District, real property taxes for the Township and County are due by April 30 without penalty, while taxes for the School District are due by November 30 without penalty. For the purpose of these projections, Tax Year Ending will be presented as the later of the two dates, November 30, on an annual basis.

<sup>(b)</sup> The final maturity date of any Additional Bonds issued may not be later than December 1, 2033, pursuant to Section 2.04 of the Indenture.

<sup>(c)</sup> For 2024 assessed value, see Monroe County PA Property Search. For the purpose of these projections, all subsequent years assume no annual increase in value.

<sup>(d)</sup> In 2017, the TIF parcel and 3 other parcels were consolidated into one parcel. TIF assessment is 98% of the total assessment. Source: Monroe County Assessment Office. As accessed by MuniCap on March 13, 2025.

<sup>(e)</sup> The Base Assessment was originally established pursuant to the Cooperation Agreement effective as of November 25, 2013. As of the reassessment conducted in 2020, the base assessment has been revised, to the number shown herein.

**APPENDIX A**  
**Camelback Pocono**  
**Monroe County, PA**

*SCENARIO A*  
*(Base Case, with Inflation)*



**APPENDIX A**  
**Camelback Pocono**  
**Monroe County, PA**

Appendix A-1.a: Projected Incremental Real Property Taxes Available for Debt Service - Pocono Mountain School District

| Assessed<br>As Of | Tax<br>Year<br>Ending <sup>(a)</sup> | Bond<br>Year<br>Ending | Mill Rate<br>Inflation <sup>(b)</sup> | Total Incremental<br>Assessed Value <sup>(c)</sup> | Mill Rate<br>Per \$1,000 AV <sup>(d)</sup> | Real Property<br>Tax Increment<br>Revenues | Percent of<br>Revenues<br>After Discount <sup>(e)</sup> | Projected<br>Incremental Real<br>Property Taxes | Pledge<br>Percentage <sup>(f)</sup> | Total Incremental<br>Revenues Available<br>for Debt Service |
|-------------------|--------------------------------------|------------------------|---------------------------------------|--|--|--|---|---|-------------------------------------|---|
| 1-Jan-24          | 30-Nov-24                            | 1-Jul-25               | 100.0%                                | \$64,073,345                                       | \$22.2500                                  | \$1,425,632                                | 98%   | \$1,397,119                                     | 100%                                | \$1,397,119   |
| 1-Jan-25          | 30-Nov-25                            | 1-Jul-26               | 100.0%                                | \$64,073,345                                       | \$23.2500                                  | \$1,489,705                                | 98%   | \$1,459,911                                     | 100%                                | \$1,459,911   |
| 1-Jan-26          | 30-Nov-26                            | 1-Jul-27               | 102.0%                                | \$64,073,345                                       | \$23.7150                                  | \$1,519,499                                | 98%   | \$1,489,109                                     | 100%                                | \$1,489,109   |
| 1-Jan-27          | 30-Nov-27                            | 1-Jul-28               | 104.0%                                | \$64,073,345                                       | \$24.1893                                  | \$1,549,889                                | 98%   | \$1,518,892                                     | 100%                                | \$1,518,892   |
| 1-Jan-28          | 30-Nov-28                            | 1-Jul-29               | 106.1%                                | \$64,073,345                                       | \$24.6731                                  | \$1,580,887                                | 98%   | \$1,549,269                                     | 100%                                | \$1,549,269   |
| 1-Jan-29          | 30-Nov-29                            | 1-Jul-30               | 108.2%                                | \$64,073,345                                       | \$25.1665                                  | \$1,612,505                                | 98%   | \$1,580,255                                     | 100%                                | \$1,580,255   |
| 1-Jan-30          | 30-Nov-30                            | 1-Jul-31               | 110.4%                                | \$64,073,345                                       | \$25.6699                                  | \$1,644,755                                | 98%   | \$1,611,860                                     | 100%                                | \$1,611,860   |
| 1-Jan-31          | 30-Nov-31                            | 1-Jul-32               | 112.6%                                | \$64,073,345                                       | \$26.1833                                  | \$1,677,650                                | 98%   | \$1,644,097                                     | 100%                                | \$1,644,097   |
| 1-Jan-32          | 30-Nov-32                            | 1-Jul-33               | 114.9%                                | \$64,073,345                                       | \$26.7069                                  | \$1,711,203                                | 98%   | \$1,676,979                                     | 100%                                | \$1,676,979   |
| Total             |                                      |                        |                                       |  |  | \$14,211,726                               |   | \$13,927,492                                    |                                     | \$13,927,492  |

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<sup>(a)</sup>Tax Year Ending represents the last day that taxes are due without penalty for all taxing bodies.

<sup>(b)</sup> Assumes an annual increase to the mill rate of 2%. Preliminary, subject to change.

<sup>(c)</sup> See Schedule II.

<sup>(d)</sup> Represents the Pocono Mountain School District mill rate. Rates for FY 2024 and 2025 are actuals. Source: Monroe County Planning Commission.

<sup>(e)</sup> A 2% discount is granted on the Pocono Mountain School District real property taxes, if paid in full prior to September 30. Source: Monroe County Tax Collector. Assumes real property taxes are paid in full and receive the 2% discount.

<sup>(f)</sup> 100% of tax increment is available for the payment of debt service. Source: *Cooperation Agreement*.

**APPENDIX A**  
**Camelback Pocono**  
**Monroe County, PA**

Appendix A-1.b: Projected Incremental Real Property Taxes Available for Debt Service - Monroe County

| Assessed<br>As Of | Tax<br>Year<br>Ending <sup>(a)</sup> | Bond<br>Year<br>Ending | Mill Rate<br>Inflation <sup>(b)</sup> | Total Incremental<br>Assessed Value <sup>(c)</sup> | Mill Rate<br>Per \$1,000 AV <sup>(d)</sup> | Real Property<br>Tax Increment<br>Revenues | Percent of<br>Revenues<br>After Discount <sup>(e)</sup> | Projected<br>Incremental Real<br>Property Taxes | Pledge<br>Percentage <sup>(f)</sup> | Total Incremental<br>Revenues Available<br>for Debt Service |
|-------------------|--------------------------------------|------------------------|---------------------------------------|--|--|--|---|---|-------------------------------------|---|
| 1-Jan-24          | 30-Nov-24                            | 1-Jul-25               | 100.0%                                | \$64,073,345                                       | \$3.9773                                   | \$254,839                                  | 98%   | \$249,742                                       | 100%                                | \$249,742   |
| 1-Jan-25          | 30-Nov-25                            | 1-Jul-26               | 100.0%                                | \$64,073,345                                       | \$5.4773                                   | \$350,949                                  | 98%   | \$343,930                                       | 100%                                | \$343,930   |
| 1-Jan-26          | 30-Nov-26                            | 1-Jul-27               | 102.0%                                | \$64,073,345                                       | \$5.5868                                   | \$357,968                                  | 98%   | \$350,809                                       | 100%                                | \$350,809   |
| 1-Jan-27          | 30-Nov-27                            | 1-Jul-28               | 104.0%                                | \$64,073,345                                       | \$5.6986                                   | \$365,127                                  | 98%   | \$357,825                                       | 100%                                | \$357,825   |
| 1-Jan-28          | 30-Nov-28                            | 1-Jul-29               | 106.1%                                | \$64,073,345                                       | \$5.8126                                   | \$372,430                                  | 98%   | \$364,981                                       | 100%                                | \$364,981   |
| 1-Jan-29          | 30-Nov-29                            | 1-Jul-30               | 108.2%                                | \$64,073,345                                       | \$5.9288                                   | \$379,878                                  | 98%   | \$372,281                                       | 100%                                | \$372,281   |
| 1-Jan-30          | 30-Nov-30                            | 1-Jul-31               | 110.4%                                | \$64,073,345                                       | \$6.0474                                   | \$387,476                                  | 98%   | \$379,726                                       | 100%                                | \$379,726   |
| 1-Jan-31          | 30-Nov-31                            | 1-Jul-32               | 112.6%                                | \$64,073,345                                       | \$6.1683                                   | \$395,225                                  | 98%   | \$387,321                                       | 100%                                | \$387,321   |
| 1-Jan-32          | 30-Nov-32                            | 1-Jul-33               | 114.9%                                | \$64,073,345                                       | \$6.2917                                   | \$403,130                                  | 98%   | \$395,067                                       | 100%                                | \$395,067   |
| Total             |                                      |                        |                                       |  |  | \$3,267,023                                |   | \$3,201,682                                     |                                     | \$3,201,682   |

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<sup>(a)</sup> Tax Year Ending represents the last day that taxes are due without penalty for all taxing bodies.

<sup>(b)</sup> Assumes an annual increase to the mill rate of 2%. Preliminary, subject to change.

<sup>(c)</sup> See Schedule II.

<sup>(d)</sup> Represents the Monroe County mill rate. Rates for FY 2024 and 2025 are actuals. Source: Monroe County Planning Commission.

<sup>(e)</sup> A 2% discount is granted on the Monroe County real property taxes, if paid in full prior to April 30. Source: Monroe County Tax Collector. Assumes real property taxes are paid in full and receive the 2% discount.

<sup>(f)</sup> 100% of tax increment is available for the payment of debt service. Source: *Cooperation Agreement*.

**APPENDIX A**  
**Camelback Pocono**  
**Monroe County, PA**

Appendix A-1.c: Projected Incremental Real Property Taxes Available for Debt Service - Pocono Township

| Assessed<br>As Of | Tax<br>Year<br>Ending <sup>(a)</sup> | Bond<br>Year<br>Ending | Mill Rate<br>Inflation <sup>(b)</sup> | Total Incremental<br>Assessed Value <sup>(c)</sup> | Mill Rate<br>Per \$1,000 AV <sup>(d)</sup> | Real Property<br>Tax Increment<br>Revenues | Percent of<br>Revenues<br>After Discount <sup>(e)</sup> | Projected<br>Incremental Real<br>Property Taxes | Pledge<br>Percentage <sup>(f)</sup> | Total Incremental<br>Revenues Available<br>for Debt Service |
|-------------------|--------------------------------------|------------------------|---------------------------------------|--|--|--|---|---|-------------------------------------|---|
| 1-Jan-24          | 30-Nov-24                            | 1-Jul-25               | 100.0%                                | \$64,073,345                                       | \$3.8159                                   | \$244,498                                  | 98%   | \$239,608                                       | 100%                                | \$239,608   |
| 1-Jan-25          | 30-Nov-25                            | 1-Jul-26               | 100.0%                                | \$64,073,345                                       | \$3.9159                                   | \$250,906                                  | 98%   | \$245,888                                       | 100%                                | \$245,888   |
| 1-Jan-26          | 30-Nov-26                            | 1-Jul-27               | 102.0%                                | \$64,073,345                                       | \$3.9942                                   | \$255,924                                  | 98%   | \$250,805                                       | 100%                                | \$250,805   |
| 1-Jan-27          | 30-Nov-27                            | 1-Jul-28               | 104.0%                                | \$64,073,345                                       | \$4.0741                                   | \$261,042                                  | 98%   | \$255,821                                       | 100%                                | \$255,821   |
| 1-Jan-28          | 30-Nov-28                            | 1-Jul-29               | 106.1%                                | \$64,073,345                                       | \$4.1556                                   | \$266,263                                  | 98%   | \$260,938                                       | 100%                                | \$260,938   |
| 1-Jan-29          | 30-Nov-29                            | 1-Jul-30               | 108.2%                                | \$64,073,345                                       | \$4.2387                                   | \$271,588                                  | 98%   | \$266,157                                       | 100%                                | \$266,157   |
| 1-Jan-30          | 30-Nov-30                            | 1-Jul-31               | 110.4%                                | \$64,073,345                                       | \$4.3235                                   | \$277,020                                  | 98%   | \$271,480                                       | 100%                                | \$271,480   |
| 1-Jan-31          | 30-Nov-31                            | 1-Jul-32               | 112.6%                                | \$64,073,345                                       | \$4.4100                                   | \$282,561                                  | 98%   | \$276,909                                       | 100%                                | \$276,909   |
| 1-Jan-32          | 30-Nov-32                            | 1-Jul-33               | 114.9%                                | \$64,073,345                                       | \$4.4982                                   | \$288,212                                  | 98%   | \$282,448                                       | 100%                                | \$282,448   |
| Total             |                                      |                        |                                       |  |  | \$2,398,014                                |   | \$2,350,054                                     |                                     | \$2,350,054   |

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<sup>(a)</sup>Tax Year Ending represents the last day that taxes are due without penalty for all taxing bodies.

<sup>(b)</sup>Assumes an annual increase to the mill rate of 2%. Preliminary, subject to change.

<sup>(c)</sup>See Schedule II.

<sup>(d)</sup>Represents the Pocono Township mill rate. Rates for 2024 and 2025 are actuals. Source: Monroe County Planning Commission.

<sup>(e)</sup>A 2% discount is granted on the Pocono Township real property taxes, if paid in full prior to April 30. Source: Monroe County Tax Collector. Assumes real property taxes are paid in full and receive the 2% discount.

<sup>(f)</sup>100% of tax increment is available for the payment of debt service. Source: *Cooperation Agreement*.

*APPENDIX A*  
*Camelback Pocono*  
*Monroe County, PA*

Appendix A-2: Total Tax Increment Revenues Available for Debt Service

| Tax<br>Year<br>Ending | Bond<br>Year<br>Ending | Tax Increment Revenues Available for Debt Service |                       |                         |                               |              |
|-----------------------|------------------------|---|-----------------------|-------------------------|-------------------------------|--------------|
|                       |                        | School District <sup>(a)</sup>                    | County <sup>(b)</sup> | Township <sup>(c)</sup> | Admin Expenses <sup>(d)</sup> | Total        |
| 30-Nov-24             | 1-Jul-25               | \$1,397,119                                       | \$249,742             | \$239,608               | (\$15,000)                    | \$1,871,470  |
| 30-Nov-25             | 1-Jul-26               | \$1,459,911                                       | \$343,930             | \$245,888               | (\$15,000)                    | \$2,034,729  |
| 30-Nov-26             | 1-Jul-27               | \$1,489,109                                       | \$350,809             | \$250,805               | (\$15,300)                    | \$2,075,423  |
| 30-Nov-27             | 1-Jul-28               | \$1,518,892                                       | \$357,825             | \$255,821               | (\$15,606)                    | \$2,116,932  |
| 30-Nov-28             | 1-Jul-29               | \$1,549,269                                       | \$364,981             | \$260,938               | (\$15,918)                    | \$2,159,270  |
| 30-Nov-29             | 1-Jul-30               | \$1,580,255                                       | \$372,281             | \$266,157               | (\$16,236)                    | \$2,202,456  |
| 30-Nov-30             | 1-Jul-31               | \$1,611,860                                       | \$379,726             | \$271,480               | (\$16,561)                    | \$2,246,505  |
| 30-Nov-31             | 1-Jul-32               | \$1,644,097                                       | \$387,321             | \$276,909               | (\$16,892)                    | \$2,291,435  |
| 30-Nov-32             | 1-Jul-33               | \$1,676,979                                       | \$395,067             | \$282,448               | (\$17,230)                    | \$2,337,264  |
| Total                 |                        | \$13,927,492                                      | \$3,201,682           | \$2,350,054             | (\$143,745)                   | \$19,335,483 |

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<sup>(a)</sup> See Appendix A-1.a.

<sup>(b)</sup> See Appendix A-1.b.

<sup>(c)</sup> See Appendix A-1.c.

<sup>(d)</sup> Estimated by MuniCap.

*APPENDIX A*  
*Camelback Pocono*  
*Monroe County, PA*

Appendix A-3.1: Projected Debt Service Coverage - (Base Case, Prior to Turbo Redepmtions)

| Tax<br>Year<br>Ending | Bond<br>Year<br>Ending | Refunding<br>Debt Service <sup>(a)</sup> | Tax Increment<br>Revenues Available<br>for Debt Service <sup>(b)</sup> | Surplus<br>(Deficit) | Net<br>Surplus/<br>(Deficit) | Cumulative<br>Surplus | Debt Service Coverage |                   |
|-----------------------|------------------------|--|--|----------------------|------------------------------|-----------------------|-----------------------|-------------------|
|                       |                        |  |  |                      |                              |                       | TIF<br>Revenues       | Total<br>Revenues |
| 30-Nov-25             | 1-Jul-26               | \$1,042,190                              | \$2,034,729  | \$992,539            | \$992,539                    | \$992,539             | 195%                  | 195%              |
| 30-Nov-26             | 1-Jul-27               | \$1,181,750                              | \$2,075,423  | \$893,673            | \$893,673                    | \$1,886,212           | 176%                  | 176%              |
| 30-Nov-27             | 1-Jul-28               | \$1,179,750                              | \$2,116,932  | \$937,182            | \$937,182                    | \$2,823,394           | 179%                  | 179%              |
| 30-Nov-28             | 1-Jul-29               | \$1,180,750                              | \$2,159,270  | \$978,520            | \$978,520                    | \$3,801,915           | 183%                  | 183%              |
| 30-Nov-29             | 1-Jul-30               | \$1,184,500                              | \$2,202,456  | \$1,017,956          | \$1,017,956                  | \$4,819,870           | 186%                  | 186%              |
| 30-Nov-30             | 1-Jul-31               | \$1,180,750                              | \$2,246,505  | \$1,065,755          | \$1,065,755                  | \$5,885,625           | 190%                  | 190%              |
| 30-Nov-31             | 1-Jul-32               | \$1,179,750                              | \$2,291,435  | \$1,111,685          | \$1,111,685                  | \$6,997,310           | 194%                  | 194%              |
| 30-Nov-32             | 1-Jul-33               | \$426,750                                | \$2,337,264  | \$1,910,514          | \$1,910,514                  | \$8,907,824           | 548%                  | 548%              |
| Total                 |                        | \$8,556,190                              | \$17,464,014   | \$8,907,824          | \$8,907,824                  |                       | 231%                  |                   |

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<sup>(a)</sup>Source: Provided by Stifel Nicolaus and Co. See Appendix C.

<sup>(b)</sup>See Appendix A-2.

**APPENDIX B**  
**Camelback Pocono**  
**Monroe County, PA**

*SCENARIO B*  
*(No Inflation)*

**APPENDIX B**  
**Camelback Pocono**  
**Monroe County, PA**

Appendix B-1.a: Projected Incremental Real Property Taxes Available for Debt Service - Pocono Mountain School District

| Assessed<br>As Of | Tax<br>Year<br>Ending <sup>(a)</sup> | Bond<br>Year<br>Ending | Mill Rate<br>Inflation <sup>(b)</sup> | Total Incremental<br>Assessed Value <sup>(c)</sup> | Mill Rate<br>Per \$1,000 AV <sup>(d)</sup> | Real Property<br>Tax Increment<br>Revenues | Percent of<br>Revenues<br>After Discount <sup>(e)</sup> | Projected<br>Incremental Real<br>Property Taxes | Pledge<br>Percentage <sup>(f)</sup> | Total Incremental<br>Revenues Available<br>for Debt Service |
|-------------------|--------------------------------------|------------------------|---------------------------------------|--|--|--|---|---|-------------------------------------|---|
| 1-Jan-24          | 30-Nov-24                            | 1-Jul-25               | 100.0%                                | \$64,073,345                                       | \$22.2500                                  | \$1,425,632                                | 98%   | \$1,397,119                                     | 100%                                | \$1,397,119   |
| 1-Jan-25          | 30-Nov-25                            | 1-Jul-26               | 100.0%                                | \$64,073,345                                       | \$23.2500                                  | \$1,489,705                                | 98%   | \$1,459,911                                     | 100%                                | \$1,459,911   |
| 1-Jan-26          | 30-Nov-26                            | 1-Jul-27               | 100.0%                                | \$64,073,345                                       | \$23.2500                                  | \$1,489,705                                | 98%   | \$1,459,911                                     | 100%                                | \$1,459,911   |
| 1-Jan-27          | 30-Nov-27                            | 1-Jul-28               | 100.0%                                | \$64,073,345                                       | \$23.2500                                  | \$1,489,705                                | 98%   | \$1,459,911                                     | 100%                                | \$1,459,911   |
| 1-Jan-28          | 30-Nov-28                            | 1-Jul-29               | 100.0%                                | \$64,073,345                                       | \$23.2500                                  | \$1,489,705                                | 98%   | \$1,459,911                                     | 100%                                | \$1,459,911   |
| 1-Jan-29          | 30-Nov-29                            | 1-Jul-30               | 100.0%                                | \$64,073,345                                       | \$23.2500                                  | \$1,489,705                                | 98%   | \$1,459,911                                     | 100%                                | \$1,459,911   |
| 1-Jan-30          | 30-Nov-30                            | 1-Jul-31               | 100.0%                                | \$64,073,345                                       | \$23.2500                                  | \$1,489,705                                | 98%   | \$1,459,911                                     | 100%                                | \$1,459,911   |
| 1-Jan-31          | 30-Nov-31                            | 1-Jul-32               | 100.0%                                | \$64,073,345                                       | \$23.2500                                  | \$1,489,705                                | 98%   | \$1,459,911                                     | 100%                                | \$1,459,911   |
| 1-Jan-32          | 30-Nov-32                            | 1-Jul-33               | 100.0%                                | \$64,073,345                                       | \$23.2500                                  | \$1,489,705                                | 98%   | \$1,459,911                                     | 100%                                | \$1,459,911   |
| Total             |                                      |                        |                                       |  |  | \$13,343,274                               |   | \$13,076,409                                    |                                     | \$13,076,409  |

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<sup>(a)</sup> Tax Year Ending represents the last day that taxes are due without penalty for all taxing bodies.

<sup>(b)</sup> Assumes an annual increase to the mill rate of 2%. Preliminary, subject to change.

<sup>(c)</sup> See Schedule II.

<sup>(d)</sup> Represents the Pocono Mountain School District mill rate. Rates for FY 2024 and 2025 are actuals. Source: Monroe County Planning Commission.

<sup>(e)</sup> A 2% discount is granted on the Pocono Mountain School District real property taxes, if paid in full prior to September 30. Source: Monroe County Tax Collector. Assumes real property taxes are paid in full and receive the 2% discount.

*APPENDIX B*  
*Camelback Pocono*  
*Monroe County, PA*

Appendix B-1.b: Projected Incremental Real Property Taxes Available for Debt Service - Monroe County

| Assessed<br>As Of | Tax<br>Year<br>Ending <sup>(a)</sup> | Bond<br>Year<br>Ending | Mill Rate<br>Inflation <sup>(b)</sup> | Total Incremental<br>Assessed Value <sup>(c)</sup> | Mill Rate<br>Per \$1,000 AV <sup>(d)</sup> | Real Property<br>Tax Increment<br>Revenues | Percent of<br>Revenues<br>After Discount <sup>(e)</sup> | Projected<br>Incremental Real<br>Property Taxes | Pledge<br>Percentage <sup>(f)</sup> | Total Incremental<br>Revenues Available<br>for Debt Service |
|-------------------|--------------------------------------|------------------------|---------------------------------------|--|--|--|---|---|-------------------------------------|---|
| 1-Jan-24          | 30-Nov-24                            | 1-Jul-25               | 100.0%                                | \$64,073,345                                       | \$3.9773                                   | \$254,839                                  | 98%   | \$249,742                                       | 100%                                | \$249,742   |
| 1-Jan-25          | 30-Nov-25                            | 1-Jul-26               | 100.0%                                | \$64,073,345                                       | \$5.4773                                   | \$350,949                                  | 98%   | \$343,930                                       | 100%                                | \$343,930   |
| 1-Jan-26          | 30-Nov-26                            | 1-Jul-27               | 100.0%                                | \$64,073,345                                       | \$5.4773                                   | \$350,949                                  | 98%   | \$343,930                                       | 100%                                | \$343,930   |
| 1-Jan-27          | 30-Nov-27                            | 1-Jul-28               | 100.0%                                | \$64,073,345                                       | \$5.4773                                   | \$350,949                                  | 98%   | \$343,930                                       | 100%                                | \$343,930   |
| 1-Jan-28          | 30-Nov-28                            | 1-Jul-29               | 100.0%                                | \$64,073,345                                       | \$5.4773                                   | \$350,949                                  | 98%   | \$343,930                                       | 100%                                | \$343,930   |
| 1-Jan-29          | 30-Nov-29                            | 1-Jul-30               | 100.0%                                | \$64,073,345                                       | \$5.4773                                   | \$350,949                                  | 98%   | \$343,930                                       | 100%                                | \$343,930   |
| 1-Jan-30          | 30-Nov-30                            | 1-Jul-31               | 100.0%                                | \$64,073,345                                       | \$5.4773                                   | \$350,949                                  | 98%   | \$343,930                                       | 100%                                | \$343,930   |
| 1-Jan-31          | 30-Nov-31                            | 1-Jul-32               | 100.0%                                | \$64,073,345                                       | \$5.4773                                   | \$350,949                                  | 98%   | \$343,930                                       | 100%                                | \$343,930   |
| 1-Jan-32          | 30-Nov-32                            | 1-Jul-33               | 100.0%                                | \$64,073,345                                       | \$5.4773                                   | \$350,949                                  | 98%   | \$343,930                                       | 100%                                | \$343,930   |
| Total             |                                      |                        |                                       |  |  | \$3,062,430                                |   | \$3,001,182                                     |                                     | \$3,001,182   |

MuniCap, Inc.

11-Jul-25

<sup>(a)</sup>Tax Year Ending represents the last day that taxes are due without penalty for all taxing bodies.

<sup>(b)</sup>Assumes an annual increase to the mill rate of 2%. Preliminary, subject to change.

<sup>(c)</sup>See Schedule II.

<sup>(d)</sup>Represents the Monroe County mill rate. Rates for FY 2024 and 2025 are actuals. Source: Monroe County Planning Commission.

<sup>(e)</sup>A 2% discount is granted on the Monroe County real property taxes, if paid in full prior to April 30. Source: Monroe County Tax Collector. Assumes real property taxes are paid in full and receive the 2% discount.



**APPENDIX B**  
**Camelback Pocono**  
**Monroe County, PA**

Appendix B-1.c: Projected Incremental Real Property Taxes Available for Debt Service - Pocono Township

| Assessed<br>As Of | Tax<br>Year<br>Ending <sup>(a)</sup> | Bond<br>Year<br>Ending | Mill Rate<br>Inflation <sup>(b)</sup> | Total Incremental<br>Assessed Value <sup>(c)</sup> | Mill Rate<br>Per \$1,000 AV <sup>(d)</sup> | Real Property<br>Tax Increment<br>Revenues | Percent of<br>Revenues<br>After Discount <sup>(e)</sup> | Projected<br>Incremental Real<br>Property Taxes | Pledge<br>Percentage <sup>(f)</sup> | Total Incremental<br>Revenues Available<br>for Debt Service |
|-------------------|--------------------------------------|------------------------|---------------------------------------|--|--|--|---|---|-------------------------------------|---|
| 1-Jan-24          | 30-Nov-24                            | 1-Jul-25               | 100.0%                                | \$64,073,345                                       | \$3.8159                                   | \$244,498                                  | 98%   | \$239,608                                       | 100%                                | \$239,608   |
| 1-Jan-25          | 30-Nov-25                            | 1-Jul-26               | 100.0%                                | \$64,073,345                                       | \$3.9159                                   | \$250,906                                  | 98%   | \$245,888                                       | 100%                                | \$245,888   |
| 1-Jan-26          | 30-Nov-26                            | 1-Jul-27               | 100.0%                                | \$64,073,345                                       | \$3.9159                                   | \$250,906                                  | 98%   | \$245,888                                       | 100%                                | \$245,888   |
| 1-Jan-27          | 30-Nov-27                            | 1-Jul-28               | 100.0%                                | \$64,073,345                                       | \$3.9159                                   | \$250,906                                  | 98%   | \$245,888                                       | 100%                                | \$245,888   |
| 1-Jan-28          | 30-Nov-28                            | 1-Jul-29               | 100.0%                                | \$64,073,345                                       | \$3.9159                                   | \$250,906                                  | 98%   | \$245,888                                       | 100%                                | \$245,888   |
| 1-Jan-29          | 30-Nov-29                            | 1-Jul-30               | 100.0%                                | \$64,073,345                                       | \$3.9159                                   | \$250,906                                  | 98%   | \$245,888                                       | 100%                                | \$245,888   |
| 1-Jan-30          | 30-Nov-30                            | 1-Jul-31               | 100.0%                                | \$64,073,345                                       | \$3.9159                                   | \$250,906                                  | 98%   | \$245,888                                       | 100%                                | \$245,888   |
| 1-Jan-31          | 30-Nov-31                            | 1-Jul-32               | 100.0%                                | \$64,073,345                                       | \$3.9159                                   | \$250,906                                  | 98%   | \$245,888                                       | 100%                                | \$245,888   |
| 1-Jan-32          | 30-Nov-32                            | 1-Jul-33               | 100.0%                                | \$64,073,345                                       | \$3.9159                                   | \$250,906                                  | 98%   | \$245,888                                       | 100%                                | \$245,888   |
| Total             |                                      |                        |                                       |  |  | \$2,251,744                                |   | \$2,206,709                                     |                                     | \$2,206,709   |

MuniCap, Inc.

11-Jul-25

<sup>(a)</sup>Tax Year Ending represents the last day that taxes are due without penalty for all taxing bodies.

<sup>(b)</sup>Assumes an annual increase to the mill rate of 2%. Preliminary, subject to change.

<sup>(c)</sup>See Schedule II.

<sup>(d)</sup>Represents the Pocono Township mill rate. Rates for 2024 and 2025 are actuals. Source: Monroe County Planning Commission.

<sup>(e)</sup>A 2% discount is granted on the Pocono Township real property taxes, if paid in full prior to April 30. Source: Monroe County Tax Collector. Assumes real property taxes are paid in full and receive the 2% discount.

<sup>(f)</sup>100% of tax increment is available for the payment of debt service. Source: *Cooperation Agreement*.

*APPENDIX B*  
*Camelback Pocono*  
*Monroe County, PA*

Appendix B-2: Total Tax Increment Revenues Available for Debt Service - No Inflation

| Tax<br>Year<br>Ending | Bond<br>Year<br>Ending | Tax Increment Revenues Available for Debt Service |                       |                         |                               |                  |
|-----------------------|------------------------|---|-----------------------|-------------------------|-------------------------------|------------------|
|                       |                        | School District <sup>(a)</sup>                    | County <sup>(b)</sup> | Township <sup>(c)</sup> | Admin Expenses <sup>(d)</sup> | Total            |
| 30-Nov-24             | 1-Jul-25               | \$1,397,119                                       | \$249,742             | \$239,608               | (\$15,000)                    | \$1,871,470      |
| 30-Nov-25             | 1-Jul-26               | \$1,459,911                                       | \$343,930             | \$245,888               | (\$15,000)                    | \$2,034,729      |
| 30-Nov-26             | 1-Jul-27               | \$1,459,911                                       | \$343,930             | \$245,888               | (\$15,300)                    | \$2,034,429      |
| 30-Nov-27             | 1-Jul-28               | \$1,459,911                                       | \$343,930             | \$245,888               | (\$15,606)                    | \$2,034,123      |
| 30-Nov-28             | 1-Jul-29               | \$1,459,911                                       | \$343,930             | \$245,888               | (\$15,918)                    | \$2,033,811      |
| 30-Nov-29             | 1-Jul-30               | \$1,459,911                                       | \$343,930             | \$245,888               | (\$16,236)                    | \$2,033,492      |
| 30-Nov-30             | 1-Jul-31               | \$1,459,911                                       | \$343,930             | \$245,888               | (\$16,561)                    | \$2,033,167      |
| 30-Nov-31             | 1-Jul-32               | \$1,459,911                                       | \$343,930             | \$245,888               | (\$16,892)                    | \$2,032,836      |
| 30-Nov-32             | 1-Jul-33               | \$1,459,911                                       | \$343,930             | \$245,888               | (\$17,230)                    | \$2,032,498      |
| Total                 |                        | \$13,076,409                                      | \$3,001,182           | \$2,206,709             | (\$143,745)                   | \$18,140,555     |
| <i>MuniCap, Inc.</i>  |                        |   |                       |                         |                               | <i>11-Jul-25</i> |

<sup>(a)</sup> See Appendix B-1.a.

<sup>(b)</sup> See Appendix B-1.b.

<sup>(c)</sup> See Appendix B-1.c.

<sup>(d)</sup> Estimated by MuniCap.

*APPENDIX B*  
*Camelback Pocono*  
*Monroe County, PA*

Appendix B-3.1: Projected Debt Service Coverage - (No Inflation, Prior to Turbo Redemptions)

| Tax<br>Year<br>Ending | Bond<br>Year<br>Ending | Refunding<br>Debt Service <sup>(a)</sup> | Tax Increment<br>Revenues Available<br>for Debt Service <sup>(b)</sup> | Surplus<br>(Deficit) | Net<br>Surplus/<br>(Deficit) | Cumulative<br>Surplus | Debt Service Coverage |                   |
|-----------------------|------------------------|--|--|----------------------|------------------------------|-----------------------|-----------------------|-------------------|
|                       |                        |  |  |                      |                              |                       | TIF<br>Revenues       | Total<br>Revenues |
| 30-Nov-25             | 1-Jul-26               | \$1,042,190                              | \$2,034,729  | \$992,539            | \$992,539                    | \$992,539             | 195%                  | 195%              |
| 30-Nov-26             | 1-Jul-27               | \$1,181,750                              | \$2,034,429  | \$852,679            | \$852,679                    | \$1,845,218           | 172%                  | 172%              |
| 30-Nov-27             | 1-Jul-28               | \$1,179,750                              | \$2,034,123  | \$854,373            | \$854,373                    | \$2,699,591           | 172%                  | 172%              |
| 30-Nov-28             | 1-Jul-29               | \$1,180,750                              | \$2,033,811  | \$853,061            | \$853,061                    | \$3,552,651           | 172%                  | 172%              |
| 30-Nov-29             | 1-Jul-30               | \$1,184,500                              | \$2,033,492  | \$848,992            | \$848,992                    | \$4,401,643           | 172%                  | 172%              |
| 30-Nov-30             | 1-Jul-31               | \$1,180,750                              | \$2,033,167  | \$852,417            | \$852,417                    | \$5,254,061           | 172%                  | 172%              |
| 30-Nov-31             | 1-Jul-32               | \$1,179,750                              | \$2,032,836  | \$853,086            | \$853,086                    | \$6,107,147           | 172%                  | 172%              |
| 30-Nov-32             | 1-Jul-33               | \$426,750                                | \$2,032,498  | \$1,605,748          | \$1,605,748                  | \$7,712,896           | 476%                  | 476%              |
| Total                 |                        | \$8,556,190                              | \$16,269,085   | \$7,712,896          | \$7,712,896                  |                       | 213%                  |                   |

*MuniCap, Inc.*

*11-Jul-25*

<sup>(a)</sup>Source: Provided by Stifel Nicolaus and Co. See Appendix C.

<sup>(b)</sup>See Appendix B-2.

**APPENDIX C**  
**Camelback Pocono**  
**Monroe County, PA**

*DEBT SERVICE*

*APPENDIX C*  
*Camelback Pocono*  
*Monroe County, PA*

Appendix C-1: Sources and Uses of Funds<sup>(a)</sup>

|  | Refunding Bonds | Percent   |
|--|-----------------|-----------|
| Sources of funds:                                    |                 |           |
| Bond par amount                                      | \$7,545,000     | 68.1%     |
| Original Issue Discount                              | (\$75,450)      | -0.7%     |
| Series 2014 Debt Service Fund <sup>(b)</sup>         | \$426,647       | 3.9%      |
| Series 2014 Surplus Fund <sup>(b)</sup>              | \$1,798,825     | 16.2%     |
| Series 2014 Debt Service Reserve Fund <sup>(b)</sup> | \$1,382,100     | 12.5%     |
| Total sources of funds                               | \$11,077,121    | 100.0%    |
| Uses of funds:                                       |                 |           |
| Bond proceeds to call bonds                          | \$9,707,029     | 87.6%     |
| Underwriter's discount                               | \$113,175       | 1.0%      |
| Costs of issuance                                    | \$500,000       | 4.5%      |
| Deposit to the reserve fund                          | \$754,500       | 6.8%      |
| Contingency  | \$2,417         | 0.0%      |
| Total uses of funds                                  | \$11,077,121    | 100.0%    |
| Bond interest rate <sup>(a)</sup>                    |                 | 5.00%     |
| Assumptions:   |                 |           |
| Reinvestment rates:                                  |                 |           |
| Reserve fund   |                 | 0.00%     |
| MuniCap, Inc.  |                 | 11-Jul-25 |

<sup>(a)</sup>Debt Service assumptions sourced from Stifel, Nicolaus, and Co. Preliminary, subject to change.

<sup>(b)</sup>Based on account statements as of June 12, 2025, as provided by The Bank of New York Mellon Trust Company, N.A.

*APPENDIX C*  
*Camelback Pocono*  
*Monroe County, PA*

Appendix C-2: Debt Service Projections<sup>(a)</sup>

| Date      | Principal   | Interest Rate | Interest    | Gross Debt Service Payments | Gross Annual Debt Service Payments | Reserve Fund Income | Administration Expenses <sup>(b)</sup> | Net Annual Debt Service |
|-----------|-------------|---------------|-------------|-----------------------------|------------------------------------|---------------------|--|-------------------------|
| 14-Aug-25 |             |               |             |                             |                                    | \$0                 |  |                         |
| 1-Jan-26  |             |               | \$143,565   | \$143,565                   |                                    | \$0                 |  |                         |
| 1-Jul-26  | \$710,000   | 5.00%         | \$188,625   | \$898,625                   | \$1,042,190                        | \$0                 | \$0                                    | \$1,042,190             |
| 1-Jan-27  |             |               | \$170,875   | \$170,875                   |                                    | \$0                 |  |                         |
| 1-Jul-27  | \$840,000   | 5.00%         | \$170,875   | \$1,010,875                 | \$1,181,750                        | \$0                 | \$0                                    | \$1,181,750             |
| 1-Jan-28  |             |               | \$149,875   | \$149,875                   |                                    | \$0                 |  |                         |
| 1-Jul-28  | \$880,000   | 5.00%         | \$149,875   | \$1,029,875                 | \$1,179,750                        | \$0                 | \$0                                    | \$1,179,750             |
| 1-Jan-29  |             |               | \$127,875   | \$127,875                   |                                    | \$0                 |  |                         |
| 1-Jul-29  | \$925,000   | 5.00%         | \$127,875   | \$1,052,875                 | \$1,180,750                        | \$0                 | \$0                                    | \$1,180,750             |
| 1-Jan-30  |             |               | \$104,750   | \$104,750                   |                                    | \$0                 |  |                         |
| 1-Jul-30  | \$975,000   | 5.00%         | \$104,750   | \$1,079,750                 | \$1,184,500                        | \$0                 | \$0                                    | \$1,184,500             |
| 1-Jan-31  |             |               | \$80,375    | \$80,375                    |                                    | \$0                 |  |                         |
| 1-Jul-31  | \$1,020,000 | 5.00%         | \$80,375    | \$1,100,375                 | \$1,180,750                        | \$0                 | \$0                                    | \$1,180,750             |
| 1-Jan-32  |             |               | \$54,875    | \$54,875                    |                                    | \$0                 |  |                         |
| 1-Jul-32  | \$1,070,000 | 5.00%         | \$54,875    | \$1,124,875                 | \$1,179,750                        | \$0                 | \$0                                    | \$1,179,750             |
| 1-Jan-33  |             |               | \$28,125    | \$28,125                    |                                    | \$0                 |  |                         |
| 1-Jul-33  | \$1,125,000 | 5.00%         | \$28,125    | \$1,153,125                 | \$1,181,250                        | (\$754,500)         | \$0                                    | \$426,750               |
| Total     | \$7,545,000 |               | \$1,765,690 | \$9,310,690                 | \$9,310,690                        | (\$754,500)         | \$0                                    | \$8,556,190             |

*MuniCap, Inc.*

*11-Jul-25*

<sup>(a)</sup> Provided by Stifel, Nicolaus, and Co. on July 8, 2025. Preliminary, subject to change.

<sup>(b)</sup> Administration expenses based on estimates from MuniCap, Inc.

## **APPENDIX B**

### **Form of Indenture**

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# FIRST SUPPLEMENTAL TRUST INDENTURE

by and between

MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

And

MANUFACTURERS AND TRADERS TRUST COMPANY,  
as Trustee

Dated as of August 1, 2025

Amending and Supplementing the Trust Indenture  
Dated as of December 1, 2013

Securing

Monroe County Industrial Development Authority  
Monroe County, Pennsylvania

Tax Increment Financing Revenue Refunding Bonds  
(Camelback Pocono Township Project)  
Series of 2025 (Tax-Exempt)

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## FIRST SUPPLEMENTAL TRUST INDENTURE

**THIS FIRST SUPPLEMENTAL TRUST INDENTURE** dated as of August 1, 2025 (the “**First Supplemental Indenture**”), is by and between **MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**, a body corporate and politic and a political subdivision of the Commonwealth of Pennsylvania (the “**Issuer**”), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a New York state banking corporation, as trustee (the “**Trustee**”), and amends and supplements the Trust Indenture, dated as of December 1, 2013, by and between the Issuer and the Trustee (the “**Original Indenture**”). The Original Indenture, as amended and supplemented by this First Supplemental Indenture is hereafter referred to as the “**Indenture**”.

### RECITALS

WHEREAS, the Issuer, located in the County of Monroe, Pennsylvania (the “**County**”), a public instrumentality and body corporate and politic of the Commonwealth of Pennsylvania (the “**Commonwealth**”), is organized under the Pennsylvania Economic Development Financing Law, the Act of August 23, 1967, P.L. 251, as amended (the “**Economic Development Financing Law**”), and is empowered under the Economic Development Financing Law to acquire, hold, construct, improve, maintain, own, finance and lease, either as lessor or lessee, public facilities and other facilities or activities which promote any of the public purposes set forth in the Economic Development Financing Law; and

WHEREAS, to accomplish the purposes of the Economic Development Financing Law, the Issuer is authorized under the Tax Increment Financing Act (P.L. 465, approved, July 11, 1990, 53 P.S. §6930.1 *et seq.*, as amended) (the “**TIF Act**”) to participate in “project plans” (as defined in the TIF Act), upon such terms and conditions and in such manner as the Issuer may determine to be reasonable; and

WHEREAS, pursuant to the Original Indenture, the Issuer issued its Tax Increment Financing Revenue Bonds (Camelback Pocono Township Project), Series of 2013 (Federally Taxable), in the original aggregate principal amount of \$13,821,000 (the “**2013 Bonds**”) in order to finance certain projects as further described and defined therein; and

WHEREAS, the 2013 Bonds, currently outstanding in the aggregate principal amount of \$9,534,000, became subject to optional redemption by the Authority on and after December 1, 2023; and

WHEREAS, current interest rates present the Issuer with the opportunity to refund all of the outstanding principal amount of the 2013 Bonds and thereby reduce the debt service obligations thereof (such refunding of the 2013 Bonds is the “**Refunding Project**”); and

WHEREAS, the Refunding Project, together with the payment of costs and expenses incurred in connection with the issuance and sale of the 2025 Bonds (hereinafter defined) is collectively referred to herein as the “**Project**”; and

WHEREAS, in order to finance the Project, the Issuer has determined to issue its Monroe County Industrial Development Authority Tax Increment Financing Revenue Refunding Bonds (Camelback Pocono Township Project), Series of 2025, in the aggregate principal amount of \$\_\_\_\_\_, (the “**2025 Bonds**”), as Additional Bonds pursuant to Section 2.04 of the Original Indenture; and

WHEREAS, Article VII of the Original Indenture permits the Issuer to supplement, modify or amend the Original Indenture in connection with the issuance of Additional Bonds; and

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH THAT in consideration of the promises and of the acceptance by the Trustee of the trusts created by the Original Indenture, and of the purchase and acceptance of the 2025 Bonds by the respective Holders thereof, and for the purpose of fixing and declaring the terms and conditions upon which the 2025 Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Registered Owners thereof, the Issuer, intending to be legally bound, has executed and delivered this First Supplemental Indenture and by these presents does hereby confirm the pledge of the Trust Estate, and all moneys, investments and deposits held by the Trustee to the extent provided in the Indenture.

TO HAVE AND TO HOLD the same unto the Trustee, its successors and assigns, forever, IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, to secure the payment of all 2025 Bonds issued under the Indenture and the premium, if any, and the interest thereon and the observance and performance of all the terms, provisions and conditions of the Original Indenture, and for the equal and ratable benefit and security of all and singular the present and future Registered Owners of the 2025 Bonds, together with all other Outstanding Bonds, without preference, priority or distinction as to lien or otherwise, except as otherwise hereinafter provided, of any one Bond over any other Bond by reason of priority in the issue, sale or authentication thereof or otherwise; and it is hereby covenanted and agreed by and between the parties hereto that the terms and conditions upon which the 2025 Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall, from time to time be or become Registered Owners thereof, and the trusts and conditions upon which the pledged Tax Increment Revenues and other parts of the Trust Estate are to be held and disposed of, are as follows:

## ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION

### Section 1.01. Definitions.

The terms previously defined in the recitals to this First Supplemental Indenture and in the Indenture shall, for all purposes of the Indenture and of all indentures supplemental hereto, have the meanings therein specified, unless the context clearly otherwise requires. In addition, the following terms shall have the meanings herein specified:

“**2025 Bonds**” means the Issuer’s Tax Increment Financing Revenue Refunding Bonds (Camelback Pocono Township Project), Series of 2025, issued in the aggregate principal amount of \$\_\_\_\_,\_\_\_\_,\_\_\_\_.

“**Authorized Denomination**” means, with respect to the 2025 Bonds, \$5,000 and integral multiples thereof.

“**Bonds**” means the 2013 Bonds, the 2025 Bonds and any Additional Bonds.

“**Code**” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2025 Bonds as it may be amended to apply to any Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published under the Code.

“**Date of Issue**” means, with respect to the 2025 Bonds, the date of initial issuance and delivery of the 2025 Bonds, *i.e.*, [Closing Date], 2025.

“**Interest Payment Dates**” means with respect to the 2025 Bonds, January 1 and July 1 of each year, commencing January 1, 2026.

**“Permitted Investments”** shall mean and include any of the following securities, if and to the extent the same are at the time legal investments for funds of the Issuer:

- (a) Defeasance Securities;
- (b) Cash deposits (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in the next subparagraph).
- (c) Direct obligations of (including obligations issued or held in book entry form on the books of the United States Department of Treasury) the United States of America.
- (d) Obligations of federal agencies so long as such obligations are backed by the full faith and credit of the United States of America, including without limitation, the following agencies or any other like governmental or government-sponsored agencies that are hereafter created:
  - i. U.S. Export-Import Bank (Eximbank)
  - ii. Rural Economic Community Development Administration
  - iii. Federal Financing Bank
  - iv. U.S. Maritime Administration
  - v. U.S. Department of Housing and Urban Development (PHAs)
  - vi. General Services Administration
  - vii. Small Business Administration
  - viii. Government National Mortgage Association (GNMA)
  - ix. Federal Housing Administration
  - x. Farm Credit System Financial Assistance Corporation
- (e) Direct obligations of any of the federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America, including without limitation, such obligations of the following agencies or any other like governmental or government-sponsored agencies that are hereafter created, including:
  - i. senior debt obligations rated at the time of purchase in the highest long-term rating category by at least two nationally recognized rating agencies issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC);
  - ii. senior debt obligations of the Federal Home Loan Bank System; and
  - iii. senior debt obligations of other federal or government sponsored agencies.
- (f) U.S. dollar denominated deposit accounts, federal funds and bankers’ acceptances with domestic commercial banks which either (i) have a rating at the time of purchase on their short-term certificates of deposit on the date of purchase in the highest short-term rating category of at least two nationally recognized rating agencies, (ii) are insured at all times by the Federal Deposit Insurance Corporation, or (iii) are collateralized with direct obligations of the United States of America at one hundred two percent (102%) valued daily. All such certificates must mature no more than three hundred sixty (360) days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank).
- (g) Domestic commercial paper which is rated at the time of purchase in the highest short-term rating category of at least two (2) nationally recognized rating agencies and which matures not more than two hundred seventy (270) days after the date of purchase.
- (h) Investments in domestic (i) money market funds subject to Securities and Exchange Commission Rule 2a-7 and rated at the time of purchase in the highest short-term rating category of at least two nationally recognized rating agencies, including without limitation, one or more money market mutual

fund portfolios for which the Trustee or any of the affiliates of the Trustee serves as an investment manager, administrator, servicing agent, and/or custodian or subcustodian, notwithstanding that (A) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, (B) the Trustee charges and collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (C) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates; and (ii) public sector investment pools operated pursuant to Securities and Exchange Commission Rule 2a-7 in which the Issuer's deposit shall not exceed five percent (5%) of the aggregate pool balance at any time and such pool is rated at the time of purchase in one of the two highest short-term rating categories of at least two nationally recognized rating agencies.

(i) Pre-refunded municipal obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and,

- i. which are rated, at the time of purchase, based on an irrevocable escrow account or fund (the "escrow"), in the highest long-term rating category of at least two (2) nationally recognized rating agencies; or
- ii. (A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or direct obligations of the United States of America, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and
- iii. which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(j) Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit or bankers' acceptances of depository institutions, including the Trustee or any of its affiliates, rated at the time of purchase in the AA long-term ratings category or higher by at least two (2) nationally recognized rating agencies.

(k) General obligations of states with a short-term rating at the time of purchase in one of the two (2) highest rating categories and a long-term rating at the time of purchase in one (1) of the two (2) highest rating categories of at least two (2) nationally recognized rating agencies. In the event such obligations are variable rate obligations, the interest rate on such obligations must be reset not less frequently than annually.

(l) Direct obligations of, or obligations guaranteed by, and any other obligations the interest on which is excluded from gross income for federal income tax purposes issued by, any state of the United States or the District of Columbia or the Commonwealth of Puerto Rico, or any political subdivision, agency, authority or instrumentality of any of the foregoing, which are rated at the time of purchase at least AA or the equivalent by Moody's or S&P (without regard to qualifiers).

(m) Repurchase agreements with respect to and secured by Government Obligations or by obligations described in clause (e) above, which agreements may entered into with a bank (including, without limitation, the Trustee), a trust company financial services firm or a broker dealer provided that (i)

the Trustee or a custodial agent of the Trustee has possession of the collateral and that the collateral is free and clear of third-party claims, (ii) a master repurchase agreement or specific written repurchase agreement governs the transaction, (iii) the collateral securities are valued no less frequently than monthly, and (iv) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and accrued unpaid interest, is equal to at least 103%.

(n) Investment agreements with or which is guaranteed by a financial institution whose long-term debt or claims-paying ability is, at the time of purchase, in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by any rating agency, or who shall provide collateral to the Trustee with a market value maintained at levels and upon such condition as would be acceptable to any rating agency to maintain a rating on such investment agreement in one of the three highest applicable categories.

**“Rebate Fund”** means the fund established by Section 4.06 hereof.

**“Reserve Requirement,”** means, with respect to the 2025 Bonds, an amount equal to the least of (i) ten percent (10%) of the stated principal amount of the 2025 Bonds, (ii) Maximum Annual Debt Service on the 2025 Bonds and (iii) one hundred twenty five percent (125%) of the average Annual Debt Service on the 2025 Bonds.

**“Tax Certificate”** means the tax certificate delivered by the Issuer at the time of issuance and delivery of the 2025 Bonds, as the same may be amended or supplemented in accordance with its terms.

## **ARTICLE II**

### **AUTHORIZATION AND DETAILS OF THE BONDS; ADDITIONAL BONDS**

#### **Section 2.01. Bonds Authorized.**

(a) There is hereby authorized the issuance hereunder a Series of Bonds, which shall be designated as “Monroe County Industrial Development Authority Tax Increment Financing Revenue Refunding Bonds (Camelback Pocono Township Project), Series of 2025,” in the aggregate principal amount of [ ] Million and 00/100 Dollars (\$ \_\_, \_\_, \_\_), for the purpose of financing the Project.

The 2025 Bonds will be issued in definitive form as fully registered bonds without coupons in Authorized Denominations. Each 2025 Bond is to be dated as of the date of authentication thereof. Each 2025 Bond will bear interest from the January 1 or July 1 which immediately precedes the date such 2025 Bond was authenticated unless (i) such date of authentication is an Interest Payment Date, in which case interest will accrue from said Interest Payment Date, (ii) such date of authentication is on or prior to July 1, 2025, in which case interest will accrue from the Date of Issue, (iii) such date of authentication is after a Regular Record Date but before the next succeeding Interest Payment Date, in which case such 2025 Bond will bear interest from such succeeding Interest Payment Date, or (iv) interest on the 2025 Bond is in default, in which case interest will accrue from the date on which interest on the 2025 Bond was last provided for or paid to the maturity date or earlier redemption date.

Interest on the 2025 Bonds will be computed on the basis of a 360-day year comprised of twelve 30-day months.

(b) The 2025 Bonds will bear interest at the rates per annum set forth below, payable on each Interest Payment Date, commencing July 1, 2025, until maturity or final payment. The 2025 Bonds will mature on July 1 of the years set forth below:

| <u>Maturity Year</u> | <u>Interest Rate</u> | <u>Maturity Amount</u> |
|----------------------|----------------------|------------------------|
| 2033                 | _____%               | \$ __, __, __          |

(c) The 2025 Bonds are subject to redemption prior to maturity in accordance with Section 3.01 hereof.

(d) The 2025 Bonds will be substantially in the form set forth in Appendix A attached hereto and made a part hereof, with such insertions, omissions and variations as may be deemed necessary or appropriate by the officers of the Issuer executing the same and as shall be permitted by the TIF Act.

(e) The principal of, premium, if any, and interest on the 2025 Bonds is payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and such principal and premium, if any, will be payable at the designated office of the Trustee, or its successor Trustee, or at the office of any alternate Paying Agent, if any, named in any such 2025 Bond upon presentation and surrender thereof.

Subject to the provisions of Section 2.03 hereof relating to periods during which the 2025 Bonds are registered in the name of a Securities Depository, payment of the interest on any 2025 Bond will be made to the person appearing on the Bond Register as the Registered Owner thereof as of the Regular Record Date and will be paid:

(i) by check or draft of the Trustee mailed to such Registered Owner on the Interest Payment Date (provided, however, that if such Interest Payment Date is not a Business Day, such payment will be mailed to such Registered Owner on the Business Day next succeeding such Interest Payment Date) at such Registered Owner's address as it appears on the Bond Register or at such other address as is furnished to the Trustee in writing by such Registered Owner;

(ii) in the case of an interest payment to any Registered Owner of \$1,000,000 or more in aggregate principal amount of 2025 Bonds as of the close of business of the Trustee on the Regular Record Date for a particular Interest Payment Date, by wire transfer to such Registered Owner as of the close of business on such Interest Payment Date (provided, however, that if such Interest Payment Date is not a Business Day, such payment will be mailed to such Registered Owner on the Business Day next succeeding such Interest Payment Date with the same force and effect) upon written notice from such Registered Owner containing the wire transfer address to a designated account at a member bank of the Federal Reserve System to which a Registered Owner wishes to have such wire directed, which written notice is received not less than one (1) Business Day prior to such Regular Record Date; or

(iii) in such other manner as is agreed upon between the Registered Owner and the Trustee.

(f) Defaulted Interest and Special Record Date. Defaulted Interest with respect to any 2025 Bond will cease to be payable to the holder of such 2025 Bond as of the relevant Regular Record Date and will be payable to the holder in whose name such 2025 Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date will be fixed in the following manner:



(i) The Issuer will notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each 2025 Bond and the date of the proposed payment (which date is to be such as will enable the Trustee to comply with requirements of clause (ii) of this subsection), and will deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or will make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment. Money deposited with the Trustee is to be held in trust for the benefit of the holders of the 2025 Bonds entitled to such Defaulted Interest as provided in this subsection.

(ii) Following receipt of such funds the Trustee is to fix a Special Record Date for the payment of such Defaulted Interest which must be not less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Trustee of the notice of the proposed payment.

(iii) The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, will cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each holder of a 2025 Bond entitled to such notice at the address of such holder as it appears on the Bond Register not less than ten (10) days prior to such Special Record Date.

(g) The 2025 Bonds will be secured by the Trust Estate, will bear interest, be subject to redemption prior to maturity and will otherwise have the terms, tenor, Authorized Denominations, details and specifications as set forth in Section 2.04 of the Original Indenture and herein.

(h) Bonds Not Subject to Acceleration. The principal of the 2025 Bonds shall not be subject to acceleration, provided that nothing in this Section shall in any way prohibit the prepayment or redemption of the 2025 Bonds under Article III hereof, or the defeasance of the 2025 Bonds and discharge of the Indenture under Section 8.01 of the Original Indenture.

(i) Numbering, CUSIPs and Other Notations. Unless the Issuer otherwise directs pursuant to a Request, the 2025 Bonds are to be numbered from R-1 upward. Before authenticating and delivering any 2025 Bond, the Trustee must complete the form of such 2025 Bond to show the Registered Owner, principal amount, interest rate, if any, maturity date, number and authentication date of such 2025 Bond.

The Issuer, solely for the convenience of the Owners of the 2025 Bonds, has caused CUSIP (Committee on Uniform Security Identification Procedures) numbers to be printed on such 2025 Bonds. No representation is made as to the correctness or accuracy of such numbers, either as printed on such 2025 Bonds or as contained in any notice of redemption, and the Issuer and the Trustee have no liability of any sort with respect thereto. Reliance with respect to any redemption notices with respect to any 2025 Bond may be placed only on the identification number printed thereon.

The 2025 Bonds may contain, or have endorsed thereon, any notations, legends or endorsements not inconsistent with the provisions of the Original Indenture or of this First Supplemental Indenture authorizing the same as may be necessary or desirable and as may be determined by the officers of the Issuer executing the 2025 Bonds prior to the authentication and delivery of such 2025 Bonds. The execution and delivery of the 2025 Bonds by the Issuer in accordance with the Indenture shall be conclusive evidence of the approval of the form of such 2025 Bonds by the Issuer, including any insertions, omissions, variations, notations, legends or endorsements authorized by the Indenture.

## **Section 2.02. Conditions Precedent to Delivery of 2025 Bonds.**

The 2025 Bonds are to be executed by the Issuer and delivered to the Trustee, whereupon the Trustee, as Bond Registrar, will authenticate the 2025 Bonds and, upon payment of the purchase price of the 2025 Bonds, will deliver the 2025 Bonds upon the written order of the Issuer, but only upon delivery to the Trustee of:

- (a) a copy of this First Supplemental Indenture executed by the Issuer and the Trustee;
- (b) a copy of the resolution duly adopted by the Issuer authorizing the issuance of the 2025 Bonds pursuant to the TIF Act, together with an Officer's Certificate specifying the principal amount of the 2025 Bonds;
- (c) an Officer's Certificate to the effect that upon the issuance of the 2025 Bonds, no Event of Default, as defined in Section 9.01 of the Original Indenture, has occurred and is continuing;
- (d) an opinion of Bond Counsel to the effect that (i) this First Supplemental Indenture authorizing the issuance of the 2025 Bonds is in full force and effect and is valid and binding upon the Issuer; (ii) the Issuer is duly authorized and entitled to issue the 2025 Bonds and, upon the execution, authentication and delivery thereof as provided in this First Supplemental Indenture, the 2025 Bonds will be duly and validly issued and will constitute valid and binding limited obligations of the Issuer; and (iii) interest on the 2025 Bonds will not be includible in gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the Issuer with the requirements of the Code;
- (e) an Officer's Certificate of the Issuer directing the authentication and delivery of the 2025 Bonds, designating the purchasers to whom the 2025 Bonds are to be delivered, stating the purchase price of the 2025 Bonds and stating that all items required by Section 2.04(d) of the Original Indenture are therewith delivered to the Trustee in form and substance satisfactory to the Issuer; and
- (f) the Closing Receipt as defined and set forth in Section 4.01 hereof.

## **Section 2.03. Additional Terms of the Bonds; Book-Entry System.**

(a) Anything in this Section to the contrary notwithstanding, and except as provided in clause (c) or clause (f) of this subsection, the Bonds will be issued in "Book-Entry" form, registered in the name of the Securities Depository or its nominee, Cede & Co. Payment of principal of, interest and amounts payable upon prior redemption of any of the Bonds registered as of each Record Date in the name of Cede & Co. will be made, by the Federal Reserve System wire transfer of immediately available funds or equivalent same day funds to the account of Cede & Co. on the payment date, as applicable, for the Bonds at the address for Cede & Co. indicated on the Bond Register.

(b) The Trustee may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of, Redemption Price, or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the Indenture, registering the transfer of Bonds, obtaining any consent or other action to be taken by the Bondholders and for all other purposes whatsoever, and the Trustee shall not be affected by any notice to the contrary. The Trustee shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through the Securities Depository or any Participant, or any other person which is not shown on the registration books for the Bonds as being a Bondholder, with respect to the accuracy of any records maintained by the Securities Depository or any Participant with respect to any beneficial ownership interest

in the Bonds; the payment by the Securities Depository or any Participant of any amount in respect of the principal of, Redemption Price or interest on the Bonds; any notice (or the timeliness thereof) which is permitted or required to be given to Bondholders under the Indenture; the selection by the Securities Depository or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given by the Securities Depository as Bondholder. The Trustee shall pay all principal of and interest on and amounts payable on redemption of the Bonds only to or “upon the order of” (as that term is used in the Uniform Commercial Code as adopted in the Commonwealth) the Securities Depository, and all such payments shall be valid and effective to fully satisfy and discharge the obligations of the Issuer with respect to the principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Except as provided in (iii) and (vi) below, no person other than the Securities Depository shall receive an authenticated or registered Bond evidencing the obligation of the Issuer to make payments pursuant to the Indenture. Upon delivery by the Securities Depository to the Trustee of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word “Cede & Co.” in the Indenture shall refer to such new nominee of the Securities Depository.

(c) At the Request of the Issuer, submitted to the Trustee, the Trustee shall notify the Securities Depository of the Issuer’s desire to discontinue the book-entry system, whereupon the Securities Depository will notify the beneficial owners of the Bonds of the availability through the Securities Depository of Bond certificates. The Securities Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving reasonable prior written notice to the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances Replacement Bonds shall be issued pursuant to Section 2.09 of the Original Indenture. If Replacement Bonds are so issued, the provisions of the Indenture regarding the Trustee’s duties as Bond Registrar and Paying Agent will become applicable, including, but not limited to, the transfer and exchange of such Bond certificates and the method of payment of principal of and interest on such Bond certificates.

(d) Notwithstanding any other provision of the Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of the Securities Depository, all payments with respect to the principal of and interest on and amounts payable on redemption of such Bonds and all notices with respect to such Bonds are to be made and given to the Securities Depository as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to the Indenture by the Trustee or with respect to any consent or other action to be taken by the Bondholders thereof, the Trustee will establish a record date for such consent or other action and give the Securities Depository notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to the Securities Depository shall be given only when the Securities Depository is the Bondholder.

(f) Upon the Request of the Issuer, submitted to the Trustee, that the Trustee substitute another securities depository company (qualified to act as such under Section 12(a) of the Securities Exchange Act of 1934) for the Securities Depository, or appoint a successor securities depository (qualified to act as such under Section 12(a) of the Securities Exchange Act of 1934) upon the discontinuance of service by the Securities Depository (both subject to the provisions of Section 2.10 of the Original Indenture), the Trustee will immediately request the Securities Depository to transfer its custodial records to the successor securities depository and the Bonds to the Trustee and to take all other actions deemed necessary or appropriate by the Trustee to effectuate the transfer of the services from the Securities Depository to another securities depository company.

(g) In the event certificates are required to be issued to beneficial owners, the Trustee and the Issuer shall be fully protected in relying upon a certificate of the Securities Depository as to the identity of and the principal amount of Book-Entry Bonds held by such beneficial owners. The beneficial owners will not receive physical delivery of certificates except as provided herein. Prior to any transfer of the Bonds outside the book-entry registration system (including, but not limited to, the initial transfer outside the book-entry registration system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

### ARTICLE III REDEMPTION OF BONDS

#### Section 3.01. 2025 Bonds Subject to Redemption.

The 2025 Bonds at the time outstanding may be redeemed prior to their respective maturities as follows:

(a) Optional Redemption. The 2025 Bonds are not subject to redemption prior to maturity at the option of the Issuer.

(b) Mandatory Sinking Fund Redemption; Purchases of 2025 Bonds. The 2025 Bonds are subject to mandatory sinking fund redemption prior to maturity at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption from mandatory Sinking Fund Installments on July 1 of the following years in the following amounts:

Term Bonds  
Maturing July 1, 2033

| Year<br>(July 1) | <u>Sinking Fund Installment</u> |
|------------------|---------------------------------|
| 2026             | —, —, —                         |
| 2027             | —, —, —                         |
| 2028             | —, —, —                         |
| 2029             | —, —, —                         |
| 2030             | —, —, —                         |
| 2031             | —, —, —                         |
| 2032             | —, —, —                         |
| 2033*            | —, —, —                         |

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\*Maturity

If (i) the Trustee purchases Term Bonds during any Fiscal Year, (ii) the Issuer delivers to the Trustee for cancellation on or before the 45th day next preceding any July 1 on which a Sinking Fund Installment is due Term Bonds subject to redemption from such Sinking Fund Installment, or (iii) Term Bonds subject to redemption from a Sinking Fund Installment are otherwise redeemed during such Fiscal Year, then an amount equal to one-hundred percent (100%) of the aggregate principal amount of such Bonds so purchased, delivered to the Trustee for cancellation or redeemed shall be credited against such Sinking Fund Installment.

If the aggregate principal amount of Term Bonds of any series purchased or redeemed in any Fiscal Year is in excess of the Sinking Fund Installment due on such Term Bonds on the immediately succeeding July 1, the Trustee shall credit such excess against subsequent Sinking Fund Installments for such Term Bonds as directed in writing by the Issuer.

(c) Special Mandatory Redemption. The 2025 Bonds are subject to special mandatory redemption in inverse order of maturity (including mandatory sinking fund redemption) on July 1 commencing July 1, 2026, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest thereon to the date set for redemption, in an amount equal to the amount that is on deposit in the Surplus Fund in excess of the Annual Debt Service on the Bonds for the immediately succeeding twelve (12) month period, at least thirty-five (35) days before each such July 1 (or if such date is not a Business Day, the next succeeding day which is a Business Day, and payment on such date shall have the same force and effect as if made on the original payment date was due).

The 2025 Bonds are subject to special mandatory redemption, in whole but not in part, on any date if moneys in the Debt Service Fund, the Surplus Fund and the Debt Service Reserve Fund are sufficient to redeem all of the remaining outstanding 2025 Bonds at a redemption price equal to one hundred percent (100% of the principal amount thereof plus accrued interest thereon to date of redemption).

## **ARTICLE IV FUNDS AND ACCOUNTS**

### **Section 4.01. Clearing Fund.**

(a) There is hereby established a 2025 Clearing Fund. All of the net proceeds of the 2025 Bonds (including accrued interest), together with all amounts on deposit in the Debt Service Reserve Fund and Surplus Fund, are to be deposited in the 2025 Clearing Fund and upon the furnishing of an Officer's Certificate to the Trustee in connection with the original issuance and delivery of the 2025 Bonds on the Date of Issue (the "**Closing Receipt**"), which will specify amounts that are to be transferred, deposited or paid as set forth in such Closing Receipt as follows:

- (i) all accrued interest, if any, to be transferred to the Debt Service Fund, as identified in the Closing Receipt;
- (ii) an amount equal to the Reserve Requirement for the 2025 Bonds to be deposited to the Debt Service Reserve Fund;
- (iii) an amount specified therein to the Debt Service Fund for application to the redemption of the 2013 Bonds on the date of redemption thereof; and
- (iv) the amounts to be expended for Costs of Issuance allocated to the 2025 Bonds to be deposited to and paid from the 2025 Clearing Fund.

The 2025 Clearing Fund will be closed by the Trustee upon Request of the Issuer, upon the first to occur of (i) the payment of all costs for which moneys had been reserved in the 2025 Clearing Fund, (ii) the balance in such fund is fully depleted and (iii) the lapse of six (6) months from the Date of Issue. Any

moneys remaining in the 2025 Clearing Fund at the time the Trustee is authorized to close the 2025 Clearing Fund will be transferred to the Debt Service Fund.

#### **Section 4.02. Revenue Fund**

(a) As soon as practicable following receipt thereof, the Trustee will deposit or cause to be deposited to the Tax Increment Account of the Revenue Fund all Tax Increment Revenues received as assignee of the Issuer and any Escrow Funds received by the Escrow Agent under the Tax Fund Agreement.

The Tax Increment Revenues pledged by the Taxing Bodies will be collected by the respective Taxing Bodies from the applicable taxpayers and then transferred to the Trustee for deposit to the Tax Increment Account of the Revenue Fund in accordance with Section 8 of the Cooperation Agreement.

(b) On each Interest Payment Date on which the principal or Redemption Price of any Bonds becomes due and on any other date when the payment of any Administrative Expenses relating to the TIF District is required, the Trustee shall transfer, from the Tax Increment Account, the following amounts to the following Funds in the following order of priority:

First: to the Rebate Fund, when needed, an amount sufficient to pay rebate, if any, to the United States of America, owed under Section 148 of the Code, as directed in writing by the Issuer;

Second: to the Administrative Expense Fund, such amount as shall be directed in writing by the Administrator estimated to be necessary to pay any Administrative Expenses then due and owing;

Third: to the Debt Service Fund, the amount necessary, after taking into account, first, any amounts then on deposit in the Debt Service Fund, second, any amounts then on deposit in the Surplus Fund and available for transfer to the Debt Service Fund under Section 4.05(a) hereof, and third, any amounts then on deposit in Debt Service Reserve Fund and available for transfer to the Debt Service Fund under Section 4.03(d) hereof, to make the amount in the Debt Service Fund equal to the amount necessary to pay the principal or Sinking Fund Installment, premium, if any, and interest due on the Bonds on such date; and

Fourth: to the Debt Service Reserve Fund, the amount necessary, after taking into account amounts then on deposit in the Debt Service Reserve Fund and any amounts then on deposit in the Surplus Fund and available for transfer to the Debt Service Reserve Fund (after giving effect to any amount required to be transferred from the Debt Service Reserve Fund to the Debt Service Fund), to make the amount in the Debt Service Reserve Fund equal to the Reserve Requirement.

The Trustee hereby is directed to determine the balance in the Revenue Fund as of each June 15<sup>th</sup> and December 15<sup>th</sup> and to obtain from the Administrator an estimate of the Administrative Expenses estimated to be due and payable on the next succeeding Interest Payment Date. In the event that the balance in the Revenue Fund, together with any available balance in the Surplus Fund, is determined by the Trustee to be insufficient to timely make the payments and transfers required by this Section on such Interest Payment Date, the Trustee hereby is directed to immediately provide written notice to the Issuer, specifying the amount of such deficiency.

On January 15<sup>th</sup> of each year, commencing January 15, 2026, after payment of all principal or Sinking Fund Installments and interest due on the Bonds Outstanding on such date and any transfers to the Rebate Fund, the Debt Service Reserve Fund and the Administrative Expense Fund required pursuant to this Section, any balances remaining on deposit in the Tax Increment Account are to be transferred to the Surplus Fund.

**Section 4.03. Debt Service Reserve Fund.**

(a) The Debt Service Reserve Fund for the 2025 Bonds shall initially be funded at the amount of the Reserve Requirement specified in the Closing Receipt delivered under Section 4.01(a) hereof.

(b) If on any Interest Payment Date or any date on which the principal amount of or any Sinking Fund Installment for any Bond becomes due, the sum of the amount on deposit in the Debt Service Fund and the amount available to be transferred to the Debt Service Fund from the Surplus Fund is less than the sum of the principal of, the Sinking Fund Installment for and the interest on the Bonds due on such date, the Trustee hereby is authorized without further direction to transfer moneys promptly from the Debt Service Reserve Fund to the Debt Service Fund, to the extent necessary to cure any deficiency.

(c) Whenever a transfer is made from the Debt Service Reserve Fund to the Debt Service Fund due to a deficiency in the Debt Service Fund, the Trustee will provide written notice thereof to the Issuer and the Administrator, specifying the amount withdrawn.

(d) The Trustee will determine the value of the assets of the Debt Service Reserve Fund quarterly on each Interest Payment Date and on each April 1 and October 1 and on any other date at the Request of the Issuer. If the amount in the Debt Service Reserve Fund exceeds the Reserve Requirement, the Trustee will provide written notice to the Issuer of the amount of the excess and will transfer the excess from the Debt Service Reserve Fund to the Debt Service Fund.

(e) Whenever the balance in the Debt Service Reserve Fund, together with the balance in the Debt Service Fund and Surplus Fund, equals or exceeds the amount required to redeem and retire all Outstanding Bonds secured hereby, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Trustee shall transfer the amounts in the Debt Service Reserve Fund and the Surplus Fund to the Debt Service Fund as shall be specified by the Issuer and which shall be used in accordance with the Special Mandatory Redemption provision described in Section 3.01(c). In the event that the amounts so transferred to the Debt Service Fund exceed the amount required to pay, redeem and retire all of the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, such excess will first be applied to the payment of any outstanding Administrative Expenses and the balance transferred at the Request of the Issuer to the Taxing Bodies, pro rata, based upon their respective millage rates then in effect, free and clear of the lien of the Indenture. Notwithstanding the foregoing, no amounts shall be transferred from the Debt Service Reserve Fund pursuant to this paragraph until after the calculation of any amount due to the United States of America pursuant to Section 4.06 hereof following payment of the Bonds secured thereby and withdrawal of any such amount from the Debt Service Reserve Fund for purposes of making such payment.

**Section 4.04. Debt Service Fund.**

(a) On each Interest Payment Date and on each date on which the principal or Redemption Price or Purchase Price of any Bonds becomes due, the Trustee hereby is instructed to withdraw from the Debt Service Fund and pay to the Holders of the Bonds the principal of and interest and premium, if any, on the Bonds then due and payable.

(b) Subject to the provisions of paragraph (a) of this Section, available moneys in the Debt Service Fund shall be applied by the Trustee to the purchase or redemption of Bonds, if available on the open market, of such Series and maturities as the Issuer shall direct. Notwithstanding the foregoing, amounts on deposit in the Debt Service Fund for the payment of the Sinking Fund Installments becoming due on any Term Bonds in any year shall be applied solely to the purchase of such Term Bonds, provided that, if at any time the amount credited against the Sinking Fund Installment for Term Bonds of any Series in accordance with Section 3.01(b) equals or exceeds the Sinking Fund Installment for such Term Bonds due on the immediately succeeding July 1, any excess amount on deposit in the Debt Service Fund for the payment of such Sinking Fund Installment shall be applied by the Trustee to the purchase of any Bonds then Outstanding as shall be directed in writing by the Issuer. Moneys required to pay the principal or Redemption Price or Purchase Price of or interest on any Bonds will not be deemed to be available for application as provided in this Section.

(d) If the Issuer determines to provide for the payment of any Bonds as provided in Section 8.01 of the Original Indenture, amounts on deposit in the Debt Service Fund for the payment of the principal or Redemption Price of or interest on such Bonds will be used by the Trustee or will be paid to the escrow deposit or redemption agent for such Bonds upon the Request of the Issuer.

#### **Section 4.05. Surplus Fund.**

(a) The Trustee will deposit into the Surplus Fund any moneys received by it pursuant to Section 4.03(c) of the Original Indenture. Moneys in the Surplus Fund will be transferred on each Interest Payment Date as follows:

- First: to the Rebate Fund, when needed, an amount sufficient to pay rebate, if any, to the United States of America, owed under Section 148 of the Code, as directed in writing by the Issuer;
- Second: to the Administrative Expense Fund to the extent that the amount on deposit in the Administrative Expense Fund is insufficient to pay all Administrative Expenses then due and owing;
- Third: to the Debt Service Fund, to the extent necessary, taking into consideration amounts then on deposit in the Debt Service Fund, to provide sufficient funds to pay Debt Service on such Interest Payment Date; and
- Fourth: to the Debt Service Reserve Fund, to the extent necessary to cause the amount on deposit in the Debt Service Reserve Fund to equal the Reserve Requirement.

If, after making the foregoing transfers, the amount remaining in the Surplus Fund exceeds Annual Debt Service on the Bonds for the immediately succeeding twelve (12) month period, the Administrator shall provide written notice thereof to the Trustee, the Issuer and the Bondholder Representative of the amount available in the Surplus Fund, which moneys in the Surplus Fund shall be used pursuant to the Special Mandatory Redemption provision described in Section 3.01(c). Moneys in the Surplus Fund also may be used to pay the last Bonds becoming due and any Bonds that are past due at such time (which may include principal as well as interest) unless such Bonds and all interest thereon are otherwise paid. Earnings on amounts on deposit in the Surplus Fund shall remain in and be applied as a part of such Fund.

(b) After payment in full of the principal of and interest on the 2025 Bonds (or provision has been made for the payment thereof as specified in the Indenture), and the fees, charges and expenses of the Trustee and any Paying Agent and any other amounts required to be paid under the Indenture, all amounts



remaining in the Surplus Fund will be paid over to the Taxing Bodies *pro rata* based upon their respective millage rates upon receipt of and as set forth in an Order from the Issuer.

**Section 4.06. Rebate Fund.**

(a) The Trustee shall establish, maintain and hold in trust a separate fund designated as the Rebate Fund. Within the Rebate Fund, the Trustee shall maintain such accounts as shall be specified in writing by the Issuer in order to comply with the Tax Certificate. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund is to be held by the Trustee in trust, to the extent required to satisfy the Rebate Amount (as defined in the Tax Certificate) or to make yield reduction payments, for payment to the federal government of the United States of America. Neither the Issuer nor the Holder of any 2025 Bonds will have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund is governed by this Section and by the Tax Certificate. The Trustee will be deemed conclusively to have complied with such provisions, including the Issuer's supplying all necessary information in the manner provided in the Tax Certificate, if it follows the Issuer's Request and will have no liability or responsibility to enforce compliance by the Issuer with the terms of the Tax Certificate.

(b) Upon the Issuer's Request, an amount shall be deposited to the Rebate Fund by the Trustee from amounts on deposit in the Revenue Fund pursuant to the provisions of Section 4.03(b) of the Original Indenture and, to the extent that such moneys are insufficient, from the Surplus Fund pursuant to Section 4.09(a) of the Original Indenture, so that the balance in the Rebate Fund equals the Rebate Amount. Computations of the Rebate Amount will be furnished by or on behalf of the Issuer in accordance with the Tax Certificate.

(c) The Trustee has no obligation to rebate any amounts required to be rebated pursuant to this Section, other than from moneys held in the Rebate Fund or provided to it by the Issuer, the Issuer's obligation being limited to Tax Increment Revenues and other funds available to it under the Indenture.

(d) At the Request of the Issuer, the Trustee shall invest all amounts held in the Rebate Fund in Permitted Investments. The Issuer's Request containing investment directions for the Rebate Fund shall be subject to the restrictions set forth in the Tax Certificate. The Trustee shall not be liable for any consequences arising from such investment made in accordance with such Request. Money shall not be transferred from the Rebate Fund except as provided in subsection (e) below.

(e) Upon receipt of the Issuer's Request, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States of America, as so directed. In addition, if the Issuer so directs in writing, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such accounts or funds as directed by the Issuer's Request. Any funds remaining in the Rebate Fund after payment of all of the 2025 Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor satisfactory to the Trustee, and payment of any amount then owed to the Trustee and the Paying Agent, shall be withdrawn and remitted to the Issuer.

(f) Notwithstanding any other provision of the Indenture, including in particular Article VIII of the Original Indenture, the obligation of the Trustee to remit the Rebate Amounts to the United States of America, as provided by this Section, and the obligations of the Issuer to comply with all other requirements of this Section, Section 5.02 and the Tax Certificate shall survive the defeasance or payment in full of the 2025 Bonds.

**Section 4.07. Application of Funds for Retirement of Bonds.**

If the Issuer determines to provide for the payment or redemption of Outstanding Bonds, amounts on deposit in any Fund or account created by the Original Indenture or this First Supplemental Indenture (other than funds on deposit in the Rebate Fund or the Administrative Expense Fund) are to be transferred to the Debt Service Fund or to any escrow agent for the Bonds for the payment of the principal or Redemption Price of or interest on such Bonds upon the Request of the Issuer.

**Section 4.08. Investments.**

The Trustee will furnish the Issuer, the Developer and the Administrator with monthly statements of the Funds and accounts established hereunder and under the Indenture that are held by the Trustee, which statements shall include detail as to the source and amount of moneys received, all investment transactions, deposits, expenditures and balances of each of the Funds and accounts held under the Indenture by the Trustee as of the date of such statements.

**ARTICLE V  
COVENANTS OF THE ISSUER**

**Section 5.01. Bonds Constitute Limited Obligations.**

The 2025 Bonds are limited obligations of the Issuer payable solely from and secured solely by the Trust Estate, including the Tax Increment Revenues and the amounts in the Debt Service Fund, the Debt Service Reserve Fund, the Revenue Fund and the Surplus Fund. The 2025 Bonds are “tax increment bonds” for purposes of the TIF Act, issued to accomplish the public purposes of the TIF Act.

**Section 5.02. Tax Covenant**

The Issuer covenants and agrees that it will at all times do and perform all acts and things permitted by law and the Indenture that are necessary or desirable in order to assure that interest paid on the 2025 Bonds will be excluded from gross income for purposes of federal income taxation and will not take any action, omit to take any action, or permit any other person to take any action or fail to take any action over which the Issuer has control, which action or inaction would cause the interest on the Bonds to be subject to federal income tax to a greater extent than on the date of issuance of such Bonds.

**ARTICLE VI  
THE TRUSTEE AND THE ADMINISTRATOR**

**Section 6.01. Successor Trustee.**

If the Trustee shall resign, be removed, be dissolved or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee under the Indenture shall thereupon become vacant.

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee shall be appointed by the Issuer or, if a default shall have occurred and be continuing under the Indenture, by the Holders of at least twenty-five percent (25%) of the Bonds by an instrument or concurrent instruments in writing delivered to such successor Trustee, with notification

thereof being given to the predecessor Trustee and, in the case of any appointment made by the Bondholders, the Issuer.

If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 6.08 of the Original Indenture or after the occurrence of any other event requiring or authorizing such appointment, the Trustee, at the Issuer's expense, or any Holder of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor.

Any successor Trustee appointed under the provisions of this Section must be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by the Indenture.

Each successor Trustee is required to mail notice of its appointment to the Trustee and each of the Holders of the Bonds.

#### **Section 6.02. Qualification, Resignation, Removal and Appointment of Successor Administrator.**

In the event of the removal, resignation or disqualification of the Administrator, the successor Administrator will, subject to compliance with the Cooperation Agreement, be designated by the Issuer, provided that such entity expressly agrees in writing to perform the duties of the Administrator under the Indenture, and provided further, that if no designation shall be made by the Issuer, the Trustee shall, at the Issuer's expense, engage a qualified firm to perform the duties of the Administrator under the Indenture, the Cooperation Agreement and the Tax Fund Escrow Agreement, and it shall be reimbursed for any expense incurred in engaging such successor, and shall have no liability whatsoever with respect to such engagement, except only for any of its own gross negligence or willful misconduct. Such successor entity shall serve until the Issuer appoints a successor Administrator. In the event that a successor Administrator shall be appointed by the Issuer, such Administrator shall be a nationally recognized accounting firm or an entity which is otherwise qualified to serve as Administrator under the Indenture by virtue of having sufficient experience in tax increment financing in the Commonwealth of Pennsylvania.

So long as no Event of Default has occurred or is continuing under the Indenture, subject to the terms of the Cooperation Agreement, the Issuer may remove the Administrator upon ninety (90) days' written notice to the Administrator or such successor, and as otherwise provided in the applicable Administration Agreement, and shall appoint a successor or successors thereto. The Issuer shall provide prior written notice to the Township and the Trustee of its intention to remove or replace the then-acting Administrator and the identity of any proposed successor or successors thereto. The Township and the Trustee shall have thirty (30) days from the date of such notice to provide the Issuer written comments relating to any intention to remove or replace the Administrator.

The Administrator may resign from its obligations under the Indenture upon one hundred eighty (180) days' written notice to the Issuer and the Trustee. Any resignation or removal of the Administrator will become effective upon acceptance of that resignation by the Issuer and upon the appointment of a successor. Notwithstanding anything to the contrary in the Indenture, upon the occurrence of an Event of Default under the Indenture the Trustee may, and will (subject to the provisions of Sections 6.02 and 6.03 of the Original Indenture) upon the written direction of the Holders of a majority of the Bonds, remove or replace the entity, then-acting as the Administrator and appoint the successor Administrator as directed by the Issuer or Holders, as applicable, thereby.

**ARTICLE VII**  
**MODIFICATION OR AMENDMENT OF INDENTURE**

**Section 7.01. Modification or Amendment Without Consent.**

Without notice to or the consent of the Bondholders, the Issuer at any time and from time to time may enter into Supplemental Indentures supplementing, modifying or amending the Indenture or any Supplemental Indenture for one or more of the following purposes:

(a) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Trustee for the benefit of such Holders;

(b) to add to the covenants and agreements of the Issuer contained in the Indenture, other covenants and agreements thereafter to be observed relative to the acquisition, construction, equipping, operation, maintenance, development or administration of the Project or relative to the application, custody, use or disposition of the proceeds of Bonds;

(c) to surrender any right, power or privilege reserved to or conferred upon the Issuer by the Indenture;

(d) to confirm, as further assurance, any pledge under, and the subjection to any lien on, or claim or pledge of (whether created or to be created by the Indenture), the Tax Increment Revenues or any other property pledged under the Indenture;

(e) to cure any ambiguity or to cure or correct any defect or inconsistent provisions contained in the Indenture or to make such provisions in regard to matters or questions arising under the Indenture as may be necessary or desirable and not contrary to or inconsistent with the Indenture;

(f) to authorize the issuance of Additional Bonds, including (without limitation) any modifications or amendments required to grant to or otherwise secure for the Holders of such Additional Bonds a parity interest in the security granted to the Holders of the 2025 Bonds in accordance with Section 2.04 of the Original Indenture;

(g) to permit the qualification of the Indenture or any Supplemental Indenture under any federal statute now or hereafter in effect or under any state blue sky law and, in connection therewith, to add to the Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted or required by such federal statute or state blue sky law;

(h) to obtain or to maintain any ratings on any Bonds from any nationally recognized securities rating agency;

(i) to preserve the excludability from gross income for federal income tax purposes of the interest paid on the 2025 Bonds; or

(i) to make any other change in the Indenture which in the Opinion of Counsel shall not prejudice in any material respect the rights of the Holders of the Bonds Outstanding at the date as of which such change shall become effective.

Notwithstanding the foregoing, no amendment which, in the opinion of the Issuer, adversely affects the Developer may be made without the Developer's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned.

## **ARTICLE VIII MISCELLANEOUS**

**Section 8.01. Miscellaneous.** Section 6.16 of the Original Indenture is hereby deleted in its entirety.

**Section 8.02. Benefits and Burdens.**

All the covenants, promises and agreements contained in this First Supplemental Indenture by or on behalf of the Issuer, or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

**Section 8.03. Confirmation of Original Indenture.**

All terms and provisions of the Original Indenture, as amended and supplemented to date, shall remain in full force and effect to the extent not inconsistent herewith.

**Section 8.04. Counterparts.**

This First Supplemental Indenture may be executed in counterparts, each of which will be deemed an original.

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WITNESS WHEREOF, the Issuer and the Trustee have caused this Trust Indenture to be executed all as of the day and year first above written

Attest:

MONROE COUNTY INDUSTRIAL  
DEVELOPMENT AUTHORITY

\_\_\_\_\_  
Authorized Officer

By:\_\_\_\_\_  
Authorized Officer

[SEAL]

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

By:\_\_\_\_\_  
Authorized Officer

[SEAL]

## APPENDIX A

### FORM OF 2025 BOND

No. R-01

\$ \_\_, \_\_, \_\_

*Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

UNITED STATES OF AMERICA  
MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
TAX INCREMENT FINANCING REVENUE REFUNDING BOND  
(CAMELBACK POCONO TOWNSHIP PROJECT)  
SERIES OF 2025

| DATE OF ISSUE        | INTEREST RATE | MATURITY DATE              | CUSIP |
|----------------------|---------------|----------------------------|-------|
| [Closing Date], 2025 | __%           | July 1, 2033               | _____ |
| REGISTERED OWNER:    | CEDE & CO.    |                            |       |
| PRINCIPAL AMOUNT:    | _____         | MILLION AND 00/100 DOLLARS |       |

MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, a body politic and corporate of the Commonwealth of Pennsylvania (the "**Issuer**"), for value received, hereby promises to pay, but only from the Trust Estate, including the Tax Increment Revenues and other amounts pledged to such payment under the Indenture, to the Registered Owner shown above or registered assigns or legal representative, upon the presentation and surrender hereof at the designated office of the Trustee, the Principal Amount shown above on the Maturity Date shown above (unless this Bond shall be redeemable and duly shall have been called for previous redemption and payment of the redemption price shall have been made or provided for), with interest thereon from the January 1 or July 1 which immediately precedes the date this 2025 Bond was authenticated unless (i) such date of authentication is an Interest Payment Date, in which case interest will accrue from said Interest Payment Date, (ii) such date of authentication is on or prior to July 1, 2025, in which case interest will accrue from the Date of Issue, (iii) such date of authentication is after a Regular Record Date but before the next succeeding Interest Payment Date, in which case such 2025 Bond will bear interest from such succeeding Interest Payment Date, or (iv) interest on the 2025 Bond is in default, in which case interest will accrue from the date on which interest on the 2025 Bond was last provided for or paid (but not prior to the Date of Issue in the event that no interest has been paid or provided for) to the maturity date or earlier redemption date.

All interest due on this 2025 Bond will be payable to the person in whose name this 2025 Bond is registered on the bond registration books maintained by Manufacturers and Traders Trust Company, Harrisburg, Pennsylvania, as Trustee and Bond Registrar (such entity and any successor in such capacity being referred to herein as the "**Trustee**"), as of the close of business fifteen (15) days (whether or not a Business Day) immediately preceding the Interest Payment Date upon which such interest is due and payable (the "**Regular Record Date**"), and will be made by check mailed on the applicable Interest Payment Date to the address of such owner as it appears on the bond registration books (or by wire transfer

subject to the requirements of the Indenture) maintained by the Trustee; provided, that if there is a default in the payment of interest due hereon, such Defaulted Interest will instead be payable to the person in whose name this 2025 Bond is registered as of the close of business on a Special Record Date fixed by the Trustee in accordance with the provisions of the Indenture.

The principal or Redemption Price of and interest on this 2025 Bond are payable in lawful money of the United States of America or by check payable in such money. If any payment of the principal or Redemption Price of or interest on this 2025 Bond shall be due on a day other than a Business Day, such payment shall be made on the next Business Day with like effect as if made on the originally scheduled date.

As provided in the TIF Act, this 2025 Bond is a special limited obligation of the Issuer payable from the special funds created by the TIF Act and the Indenture and does not constitute a general obligation debt of the County of Monroe, the Township of Pocono or Pocono Mountain School District or pledge of the full faith and credit or taxing power of any of them.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE PRINCIPAL OF THE BONDS, NOR THE INTEREST ACCRUING THEREON, SHALL EVER CONSTITUTE A GENERAL INDEBTEDNESS OF THE ISSUER OR AN INDEBTEDNESS OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER OR SHALL EVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, NOR WILL THE BONDS BE, OR BE DEEMED TO BE, AN OBLIGATION OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF. THE ISSUER HAS NO TAXING POWER.

Indenture. This bond is one of a duly authorized Series of Bonds of the Issuer designated “Monroe County Industrial Development Authority, Tax Increment Financing Revenue Refunding Bonds (Camelback Pocono Township Project), Series of 2025” (the “**2025 Bonds**”), aggregating \_\_\_\_\_ Million and 00/100 Dollars (\$ \_\_, \_\_, \_\_) in principal amount, dated as of the Date of Issue, and duly issued by the Issuer under and pursuant to (i) the Economic Development Financing Law, the Neighborhood Improvement District Act and the Tax Increment Financing Act, as amended (the “**TIF Act**”), (ii) certain proceedings of the Issuer, including a Resolution passed by the Issuer on February 26, 2025 (the “**Resolution**”), and (iii) the Trust Indenture dated as of December 1, 2013, as amended and supplemented by the First Supplemental Trust Indenture dated as of August 1, 2025 (collectively, the “**Indenture**”), by and between the Issuer and the Trustee. The terms of the 2025 Bonds include those stated in the Indenture, and the 2025 Bonds are subject to all such terms. Capitalized terms used herein and not otherwise defined have the meanings set forth in the Indenture. Reference is made hereby to the Indenture for a description of the funds, revenues and property pledged thereunder, the nature and extent of the security created or to be created, and the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Trustee and the holders of the 2025 Bonds. By the acceptance of this 2025 Bond, the holder hereof assents to all of the provisions of the Indenture. Certified copies of the Indenture are on file at the designated office of the Trustee and at the office of the Issuer in Tobyhanna, Pennsylvania.

Tax Increment Revenues. In the Indenture, the Issuer has covenanted to pay the principal of, interest and premium on, the 2025 Bonds solely from the Trust Estate, including the Tax Increment Revenues and other amounts pledged therefor under and in accordance with the Indenture.



The 2025 Bonds. All of the 2025 Bonds are of like tenor except as to number, principal amount, interest rate and maturity date.

Additional Bonds. The Indenture provides that Additional Bonds may be issued within the limitations and provisions of the Indenture (the 2025 Bonds and any Additional Bonds being referred to herein, collectively, as “**Bonds**”). All Bonds, subject to the limitations and provisions of the Indenture and any supplement thereto will be secured equally and ratably by the Tax Increment Revenues and other property pledged under the Indenture, but only to the extent provided in the Indenture.

Redemption.

The 2025 Bonds at the time outstanding may be redeemed prior to their respective maturities at the times and in the amounts provided by the Indenture.

The Trustee will give notice by first class mail of any redemption of the 2025 Bonds at least thirty (30) but not more than sixty (60) days before the redemption date to the Registered Owners of the 2025 Bonds to be redeemed. The failure so to give any such notice to any of such Registered Owners shall not affect the validity of the proceedings for the redemption.

On the date designated for redemption, notice having been given as provided herein and any conditions to such redemption having been satisfied, the 2025 Bonds or portions of 2025 Bonds so called for redemption shall become and be due and payable at the Redemption Price provided for redemption of such 2025 Bonds or such portions thereof on such date and, if moneys for the payment of the Redemption Price and accrued interest are held by the Trustee as provided in the Indenture, interest on such 2025 Bonds or such portions thereof so called for redemption shall cease to accrue, such 2025 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture, and the Registered Owners thereof shall have no rights in respect of such 2025 Bonds or such portions thereof so called for redemption except to receive payment of the Redemption Price thereof and the accrued interest thereon so held by the Trustee. If a portion of this 2025 Bond shall be called for redemption, a new 2025 Bond or 2025 Bonds in aggregate principal amount equal to the unredeemed portion hereof, of the same series and maturity and bearing interest at the same rate, shall be issued to the Registered Owner upon the surrender hereof.

Defeasance. The Indenture prescribes the manner in which it may be discharged and provides that Bonds shall be deemed to be paid if moneys or certain Defeasance Securities, the principal of and interest on which, when due, will be sufficient to pay the principal or redemption price of and interest on such Bonds to the date of maturity or redemption thereof, shall have been deposited with the Trustee.

Persons Deemed Owners Restrictions upon Actions by Individual Holders. The Issuer and the Trustee may deem and treat the person in whose name this 2025 Bond is registered as the absolute owner hereof (whether or not this 2025 Bond shall be overdue and notwithstanding any notation of ownership or other writing hereon made by anyone other than the Issuer or the Trustee) for the purpose of receiving payment of or on account of the principal or Redemption Price of this 2025 Bond, and for all other purposes except as otherwise provided herein with respect to the payment of interest on this 2025 Bond, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. All such payments so made to any such Registered Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable under this 2025 Bond.

The Registered Owner of this 2025 Bond will have no right to enforce the provisions of the Indenture, or to institute action to enforce the covenants therein, or to take any action with respect to any

Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Transfer and Exchange. This 2025 Bond may be exchanged for an equal aggregate principal amount of 2025 Bonds, of other Authorized Denominations, and the transfer of this 2025 Bond may be registered, upon presentation and surrender of this 2025 Bond at the designated office of the Trustee, together with an assignment duly executed by the Registered Owner hereof or such owner's attorney or legal representative. The Issuer and the Trustee may require the person requesting any such exchange or transfer to reimburse them for any tax or other governmental charge payable in connection therewith. The Trustee will not be required to register the transfer or exchange of any Bond (i) during the period commencing on a Record Date and ending on the corresponding Interest Payment Date, (ii) during a period beginning at the opening of business fifteen days before the day of the mailing of notice of redemption of the Bonds and ending at the close of business on the day of such mailing, or (iii) at any time following the selection of such Bond, in whole or in part, for redemption.

Modifications. Modifications or alterations of the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

Negotiability. As declared by the TIF Act, this 2025 Bond will be and be deemed to be for all purposes a negotiable instrument subject only to the provisions for registration and registration of transfer stated herein.

Governing Law. This bond will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

Notices. Except as otherwise provided in the Indenture and this 2025 Bond, when the Trustee is required to give notice to the owner of this 2025 Bond, such notice shall be mailed by first class mail to the Registered Owner of this 2025 Bond at such owner's address as it appears on the registration books maintained by the Trustee. Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by the addressee.

CUSIP. The Issuer, pursuant to recommendations made by the Committee on Uniform Security Identification Procedures, has caused CUSIP numbers to be printed on the 2025 Bonds, and has directed the Trustee to use such numbers in notices of redemption and other notices, if any, as a convenience to the registered owners of the 2025 Bonds. No representation is made by the Issuer or the Trustee as to the accuracy of such numbers either as printed on the 2025 Bonds or as contained in any notice, and reliance may be placed only on the identification number printed hereon.

All acts, conditions and things required by the Constitution and laws of the Commonwealth of Pennsylvania and the rules and regulations of the Issuer to happen, exist and be performed precedent to and in the issuance of this 2025 Bond and the execution and delivery of the Indenture have happened, exist and have been performed as so required.

NO PERSONAL RECOURSE SHALL BE HAD FOR ANY CLAIM BASED UPON THE BOND DOCUMENTS INCLUDING ANY CLAIM FOR THE PAYMENT OF PRINCIPAL OF, OR INTEREST OR ANY PREMIUM ON, THE BONDS, AGAINST ANY OFFICER, OFFICIAL, DIRECTOR, ATTORNEY, AGENT OR EMPLOYEE OF THE ISSUER, PAST PRESENT OR FUTURE (OR ANY OF THEIR RESPECTIVE HEIRS, PERSONAL REPRESENTATIVES OR SUCCESSORS) OR ANY PERSON EXECUTING THIS 2025 BOND UNDER ANY CONSTITUTIONAL PROVISIONS, STATUTE OR RULE OF LAW OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE; BUT NOTHING HEREIN CONTAINED WILL RELIEVE ANY SUCH OFFICER,

OFFICIAL, AGENT OR EMPLOYEE FROM THE PERFORMANCE OF ANY OFFICIAL DUTY PROVIDED BY LAW, ALL SUCH LIABILITY, IF ANY, BEING EXPRESSLY WAIVED AND RELEASED BY THE REGISTERED OWNER OF THIS 2025 BOND BY THE ACCEPTANCE OF THIS 2025 BOND. WITHOUT LIMITING THE FOREGOING, BY THE ACCEPTANCE OF THIS 2025 BOND, THE REGISTERED OWNER AGREES THAT THIS 2025 BOND IS EXPRESSLY SUBJECT TO THE PROVISIONS OF SECTIONS 10.01 AND 10.05 OF THE INDENTURE WHICH DETAIL THE LIMITS OF LIABILITY OF THE ISSUER AND ITS OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS AND AGENTS.

This 2025 Bond will not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Issuer has caused this 2025 Bond to be executed in its name by the manual or facsimile signature of a proper officer and attested by the manual or facsimile signature of a proper officer of the Issuer; all as of [Closing Date], 2025.

Attest:

MONROE COUNTY INDUSTRIAL  
DEVELOPMENT AUTHORITY

\_\_\_\_\_  
Authorized Officer

By: \_\_\_\_\_  
Authorized Officer

[SEAL]

[Certificate of Authentication]

This bond is one of the bonds of the series designated herein and issued under the provisions of the within-mentioned Indenture.

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee and Bond Registrar

\_\_\_\_\_  
Authorized Signatory

Date of Authentication: \_\_\_\_\_

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
(Please type or print name, address (including postal zip code) and Social Security or other identification number of the transferee)

\_\_\_\_\_  
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_ his/her attorney to transfer said Bond on the books of the transfer agent with full power of substitution in the premises.

Dated: \_\_\_\_\_

Notice: The signature on this Assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature guarantee:

\_\_\_\_\_  
(Type or Print Name)

\_\_\_\_\_  
(Signature)

NOTICE: Signature must be guaranteed by an approved, eligible guarantor institution, an institution which is a participant in a recognized Signature Guarantee Medallion Program.

ABBREVIATIONS

When used in the inscription on the face of the within bond, were written out in full according to applicable laws or

UNIF GIFT MN ACT - \_\_\_\_\_

(Cust.)

Custodian for

(Minor)

The following abbreviations when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM — as tenants in Common

TEN ENT — as tenants by the entireties

JT TEN — as joint tenants with right of survivorship and not as tenants in common under Uniform Gifts to Minors Act of

(State)

Additional abbreviations may also be used though not in list above.

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# TRUST INDENTURE

by and between

MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

And

MANUFACTURERS AND TRADERS TRUST COMPANY,  
as Trustee

Dated as of December 1, 2013

Securing

Monroe County Industrial Development Authority  
Monroe County, Pennsylvania

Tax Increment Financing Revenue Bonds  
(Camelback Pocono Township Project)  
Series of 2013  
(Federally Taxable)

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## TRUST INDENTURE

**THIS TRUST INDENTURE** (the “**Indenture**”) dated for convenience as of December 1, 2013, but effective as provided herein, is by and between **MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**, a body corporate and politic and a political subdivision of the Commonwealth of Pennsylvania (the “**Issuer**”), and Manufacturers and Traders Trust Company, a New York state banking corporation, as trustee (the “**Trustee**”).

### RECITALS

WHEREAS, the Issuer, located in the County of Monroe, Pennsylvania (the “**County**”), is a public instrumentality and body corporate and politic of the Commonwealth of Pennsylvania (the “**Commonwealth**”), organized under the Pennsylvania Economic Development Financing Law, the Act of August 23, 1967, P.L. 251, as amended (the “**Economic Development Financing Law**”), and empowered under the Economic Development Financing Law to acquire, hold, construct, improve, maintain, own, finance and lease, either as lessor or lessee, public facilities and other facilities or activities which promote any of the public purposes set forth in the Economic Development Financing Law; and

WHEREAS, to accomplish the purposes of the Economic Development Financing Law, the Issuer is authorized under the Tax Increment Financing Act (P.L. 465, approved, July 11, 1990, 53 P.S. §6930.1 *et seq.*, as amended) (the “**TIF Act**”) to participate in “project plans” (as defined in the TIF Act), upon such terms and conditions and in such manner as the Issuer may determine to be reasonable; and

WHEREAS, CBK Lodge, LP, a Pennsylvania limited partnership (the “**Developer**”), desires to undertake the development of certain property situated in the Township of Pocono, Monroe County, Pennsylvania (the “**Township**”) by construction of a destination facility consisting principally of a 442,285 square-foot resort hotel facility with approximately 413 guest rooms, together with meeting facilities, restaurants and an adjoining 133,932± square-foot indoor water park and a parking facility for approximately 639 vehicles and related fixtures, furnishings and improvements (the “**Development**”); and

WHEREAS, the Planning Commission of the Township certified the proposed TIF District (defined below) as a redevelopment area within the meaning of the Urban Redevelopment Law, Act of May 24, 1945, P.L. 991, No.385, as amended (the “**Urban Redevelopment Law**”) pursuant to a resolution adopted on March 25, 2013; and

WHEREAS, the Board of Supervisors of the Township enacted Ordinance No. 2013-06 on July 15, 2013 (the “**TIF Ordinance**”) which, among other things, (a) created a “tax increment district” denominated as the “Pocono CBK Tax Increment Financing District” (herein, the “**TIF District**”), (b) that the TIF District is a blighted area containing characteristics of blight as described in the Urban Redevelopment Law, (c) adopted a plan (the “**TIF Plan**”) for the financing of various improvements (collectively, the “**Improvements**”) to benefit the TIF District and the Development, which Improvements consist of: (1) the design, acquisition and construction of certain off-site improvements, (2) road improvements required by Pennsylvania Department of Transportation, and (3) the purchase and installation of fixtures and equipment to be incorporated in the Development, and (d) found that financing the Improvements is necessary to eliminate such conditions of blight, all in accordance with the requirements of the TIF Act; and

WHEREAS, the Township, the County and Pocono Mountain School District (the “**School District**”), and together with the Township and the County collectively herein, the “**Taxing Bodies**”) constitute all of the taxing authorities which levy property taxes within the TIF District; and

WHEREAS, each of the Taxing Bodies participated with the Issuer, as provided in the TIF Act, in the development of the TIF Plan, and each has adopted the necessary legislation to authorize their respective participation in the TIF Plan; and

WHEREAS, the Issuer, in order to finance (a) costs of the Improvements, (b) capitalized interest on the 2013 Bonds (defined below) through June 1, 2015, (c) an initial deposit to a Debt Service Reserve Fund, (d) a portion of the costs of issuance of the 2013 Bonds, and (e) the funding of Administrative Expenses through the capitalized interest period (collectively, items (a) through (e) being referred to herein as the “**Project**”), has determined to issue the 2013 Bonds (herein defined); and

WHEREAS, the 2013 Bonds constitute “tax increment bonds” within the meaning of the TIF Act; and

WHEREAS, pursuant to the TIF Plan, the Issuer and the Taxing Bodies have entered into an intergovernmental cooperation agreement (the “**Cooperation Agreement**”) wherein each of the Taxing Bodies have assigned to the Issuer their respective rights to certain incremental real estate taxes attributable to taxable properties within the TIF District for the purpose of financing the Project; and

WHEREAS, the Issuer, by this Indenture, is assigning its rights in and to the Tax Increment Revenues to the Trustee; and

WHEREAS, the Issuer and the Developer have entered into a Development Agreement of even date herewith (the “**Development Agreement**”) regarding, *inter alia*, the disposition of the proceeds of the 2013 Bonds and the Developer’s obligations with respect to the Improvements; and

WHEREAS, pursuant to a Partnership Guaranty Agreement, dated of even date herewith (the “**Partnership Guaranty**”) by and among the CBH2O, LP, a Pennsylvania limited partnership (the “**Partnership Guarantor**”), the Issuer and the Trustee, the Partnership Guarantor has agreed to, among other things, guarantee the payment of the principal of and interest on the 2013 Bonds, when due, and other obligations set forth therein; and

WHEREAS, pursuant to a resolution adopted on November 15, 2013, the Issuer authorized the issuance of the 2013 Bonds payable as set forth in this Indenture from amounts on deposit in the Tax Increment Account.

## GRANTING CLAUSES

The Issuer, in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, of the purchase and acceptance of the Bonds by the Owners thereof and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, in order to secure the payment of the principal or Redemption Price or Purchase Price of and interest on the Bonds according to their tenor and effect, and to secure the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, convey, assign and pledge, and grant a security interest in, the following to the Trustee and its successors in trust and assigns forever, subject only to the provisions of this Indenture permitting the application thereof on the terms and conditions set forth in this Indenture:

## **GRANTING CLAUSE FIRST**

All of the right, title and interest of the Issuer in and to all of the Tax Increment Revenues, the Cooperation Agreement and the Development Agreement and all moneys from time to time on deposit in the Project Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Revenue Fund and the Surplus Fund created pursuant to this Indenture;

## **GRANTING CLAUSE SECOND**

All of the right, title and interest of the Issuer in and to any and all real or personal property of every name and nature from time to time hereafter conveyed, mortgaged, pledged, assigned or transferred, by delivery or by writing of any kind, as and for additional security hereunder by the Issuer or by anyone on its behalf, or with its written consent, to the Trustee, which hereby is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof (all of the property conveyed by the foregoing granting clauses and the monies held pursuant to the Tax Fund Escrow Agreement (defined herein) pledged to the Trustee thereunder being herein referred to as the “**Trust Estate**”);

**TO HAVE AND TO HOLD** all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever upon the terms and trusts herein set forth for the equal and ratable benefit, protection and security of the Holders of the 2013 Bonds and, to the extent provided herein and in any Supplemental Indenture authorizing the issuance of Additional Bonds, the Holders of such Additional Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any Bond over any other Bond except as expressly provided in Section 2.04 or permitted by any Supplemental Indenture;

**PROVIDED HOWEVER** that if the Issuer shall well and truly pay, or cause to be paid, the principal or Redemption Price or Purchase Price of and interest on the Bonds according to the true intent and meaning thereof, or shall provide for the payment thereof as permitted by Article VIII, and shall perform and observe all the covenants and conditions of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then, upon compliance with Article VIII, the lien of this Indenture shall be discharged and satisfied; otherwise this Indenture shall be and remain in full force and effect.

All Bonds issued and secured hereunder are to be issued, authenticated and delivered and all such property, rights and interest, including (without limitation) the amounts hereby assigned and pledged, are to be dealt with and disposed of under, upon and subject to the terms and conditions hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective Owners of the Bonds as follows:

## **ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION**

**Section 1.01. Definitions.** Terms defined in the Recitals to this Indenture shall have the meanings there set forth. Other capitalized terms used in this Indenture shall have the meanings set forth below, unless a different meaning clearly appears from the context.

**“2013 Bonds”** means the Issuer’s Tax Increment Financing Revenue Bonds (Camelback Pocono Township Project), Series of 2013 (Federally Taxable), issued in the aggregate principal amount of \$13,821,000.

**“2013 Clearing Fund”** means the Fund established by Section 4.01.

**“Acts”** means, collectively, the Economic Development Financing Law and the TIF Act.

**“Additional Bonds”** means any Bonds issued by the Issuer pursuant to Section 2.04.

**“Administration Agreement”** means the agreement, if any, for the provision of administrative services required in accordance with Section 6.15, by and between the Issuer and the Administrator, as amended from time to time.

**“Administrative Expenses”** means costs directly related to the administration of the TIF District, including, without limitation, costs of computing the Tax Increment Revenues; costs of collecting the Tax Increment Revenues; the costs of remitting the Tax Increment Revenues to the Trustee; fees and costs of the Trustee (including the fees and expenses of its legal counsel), any Paying Agent (including the fees and expenses of its legal counsel) and the Administrator in the discharge of their respective duties under this Indenture; the annual administrative fee of the Issuer; the fees and costs of the Issuer (including the fees and expenses of its legal counsel) and the Administrator of complying with this Indenture; and fees payable for any credit enhancement. Administrative Expenses includes any and all expenses, losses, claims, damages and liabilities of the Issuer and its officers, directors, attorneys, officials, agents and employees, past, present or future (including the fees and expenses of its legal counsel) arising with respect to the 2013 Bonds under the Securities Act of 1933, as amended, or the Commonwealth Securities Laws. Administrative Expenses also include amounts incurred or advanced by the Issuer for any administrative purpose of the TIF District, the costs of appointing a successor Trustee under Section 6.10 and/or a successor Administrator under Section 6.15, and the costs of commencing foreclosure of parcels with delinquent real property taxes.

**“Administrator”** means the party described in Section 6.15.

**“Annual Debt Service”** means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year; and (ii) the principal of and the Sinking Fund Installments for the Outstanding Bonds due in such Bond Year.

**“Authorized Denomination”** means \$100,000 or any integral multiple of \$1,000 in excess thereof.

**“Authorized Officer”** means the Issuer’s Chairman, Vice Chairman, Secretary, Treasurer, Executive Director and any other officer or employee so designated and authorized by the Issuer in writing from time to time.

**“Base Rate”** means with respect to the 2013 Bonds, the rate of 8.950% per annum.

**“Bond Counsel”** means any attorney or firm of attorneys selected by the Issuer and nationally recognized for expertise in rendering opinions as to the legality of securities issued by public entities.

**“Bond Documents”** means this Indenture, the Bonds, the Development Agreement, the Cooperation Agreement the Continuing Covenant Agreement, the Tax Fund Escrow Agreement, the

Guaranties and any agreement, document, instrument or certificate executed, delivered or approved in connection with the issuance, sale, delivery or administration of the Bonds.

**“Bondholder Representative”** means, as of the Date of Issue, ORIX Public Finance, LLC, and thereafter the Holder of a majority of the Outstanding 2013 Bonds.

**“Bond Register”** means the books for the registration and transfer of Bonds maintained by the Trustee under Section 2.06.

**“Bond Year”** means the period of twelve months beginning December 1 of each year, and also shall mean the period from the Date of Issue, to and including November 30, 2014.

**“Bonds”** means the 2013 Bonds and any Additional Bonds.

**“Business Day”** means any day other than a Saturday, a Sunday or a day on which banks in the City of Harrisburg, Pennsylvania or banks in the city in which the designated corporate trust offices of the Trustee and Paying Agent are located, are required or authorized by law (including executive order) to remain closed.

**“Certificate of Occupancy”** means a certificate issued by the Township upon completion of construction evidencing that a building, structure or facility is in compliance with the requirements of the Pennsylvania Uniform Construction Code and additional more restrictive requirements, if any, imposed by the Township and may be occupied safely. “Certificate of Occupancy, also, means a temporary certificate of occupancy for a portion or portions of the building or structure before the completion of the entire work covered by the permit if in compliance with the Uniform Construction Code and any Township requirements and may be occupied safely.

**“Closing Receipt”** has the meaning specified in Section 4.02(a).

**“Code”** means the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2013 Bonds as it may be amended to apply to any Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published under the Code.

**“Consulting Engineer”** means any person who is engaged in the engineering profession, who is a Registered Professional Engineer under the laws of the Commonwealth, who has a favorable reputation for skill and experience in supervising the construction and operation of facilities comparable to the Improvements, who is in fact independent (although such person may be regularly retained by the Developer), and who is appointed by the Developer and is not unsatisfactory to the Issuer and the Bondholder Representative.

**“Continuing Covenant Agreement”** means the agreement of same name by and among the Developer, the Partnership Guarantor and ORIX Public Finance, LLC, as initial Bondholder Representative.

**“Costs of Issuance”** means the costs, fees and expenses payable or reimbursable directly or indirectly by the Issuer and related to the authorization, sale and issuance of the Bonds and in connection with the establishment of the TIF District, including (without limitation), underwriting, placement and other financing fees, bond discount, the fees and disbursements of the Tax Fund Escrow Agent, the dissemination agent, Bond Counsel, Issuer’s counsel, Township counsel, School District counsel, Trustee’s counsel, Developer’s counsel and Underwriter’s counsel, the Trustee’s acceptance and first year annual fee, the filing and recording fees in connection with any filing or recording necessary under this

Indenture or to perfect the lien thereof, the out-of-pocket costs of the Issuer and the Township, the fees and expenses of financial advisors, accountants and rating agencies, the costs of preparing or printing the Bonds and the documentation supporting the issuance of the Bonds and any other costs of a similar nature reasonably incurred.

**“Date of Issue”** means, with respect to the 2013 Bonds, the date of initial issuance and delivery of the 2013 Bonds; *i.e.* December 12, 2013.

**“Debt Service”** means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

**“Debt Service Fund”** means the Fund established by Section 4.01 and whose operation is detailed in Section 4.07.

**“Debt Service Reserve Fund”** means the Fund established by Section 4.01 and whose operation is detailed in Section 4.06.

**“Default Interest Rate”** means with respect to the 2013 Bonds the rate of 12% per annum calculated from the date of the occurrence of the Event of Default.

**“Defaulted Interest”** means interest on any Bond which is payable but not duly paid on the date due.

**“Defeasance Securities”** means cash and the following securities which must be non-callable:

(a) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series – **“SLGs”**);

(b) Direct obligations of the U.S. Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;

(c) The interest component of Resolution Funding Corp. strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form;

(d) Pre-refunded municipal bonds rated at the time of purchase “Aaa” by Moody’s and/or “AAA” by S&P;

(e) Obligations issued by the following agencies which are backed by the full faith and credit of the United States:

(i) U.S. Export-Import Bank (Eximbank) – Direct obligations or fully guaranteed certificates of beneficial ownership

(ii) Farmers Home Administration (FmHA) – Certificates of beneficial ownership

(iii) Federal Financing Bank

(iv) General Services Administration – Participation certificates

(v) U.S. Maritime Administration – Guaranteed Title XI financing



(vi) U.S. Department of Housing and Urban Development (HUD) – Project Notes; Local Authority Bonds; New Communities Debentures – U.S. government guaranteed debentures; and U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds.

**“Fiscal Year”** means the twelve-month period extending from January 1 in a calendar year to December 31 of the same calendar year, both dates inclusive.

**“Fund”** means any fund created hereunder or under a Supplemental Indenture.

**“Government Obligations”** means direct obligations of, or obligations the timely payment of the principal of and the interest on which are unconditionally guaranteed by, the United States of America, including (without limitation) obligations of the Resolution Trust Corporation.

**“Guaranties”** means the Partnership Guaranty and the Individual Guarantys.

**“Guaranty Account”** means the account authorized by Section 4.01 within the Debt Service Fund into which amounts received by the Trustee pursuant to the Partnership Guaranty are to be deposited.

**“Holder,” “Holder,” “Bondholder,” “Registered Owner” or “Owner”** means any person in whose name any Outstanding Bond is registered on the Bond Register.

**“Improvements”** has the meaning specified in the recitals to this Indenture.

**“Indenture”** means this Trust Indenture, as amended or supplemented from time to time by any Supplemental Indenture adopted pursuant to the provisions hereof.

**“Individual Guarantys”** means, individually and collectively, the Guaranty Agreement by Kenneth L. Ellis, *sui generis*, and the Guaranty Agreement by Arthur B. Berry, III, *sui generis*, each said Guaranty Agreement providing for, *inter alia*, payment of certain obligations referenced therein contingent upon certain “bad acts” by himself, as guaranties, the Developer or the Partnership Guarantor, as more specifically and uniformly described and set forth in said Guaranty Agreements.

**“Interest Payment Dates”** means (a) with respect to the 2013 Bonds, June 1 and December 1 of each year, commencing June 1, 2014, and (b) with respect to any Additional Bonds, the dates established in the Supplemental Indenture authorizing the issuance thereof.

**“Maximum Annual Debt Service”** means, as of any date of calculation, the highest Annual Debt Service required to be paid in the then current or any succeeding Bond Year for the Bonds Outstanding or to be Outstanding, calculated over the remaining life of each series of Bonds, excluding, however, the Annual Debt Service with respect to the 2013 Bonds for the Bond Year commencing December 1, 2032.

**“Minimum Reserve Requirement”** means with respect to the 2013 Bonds, an amount equal to \$1,382,100.

**“Moody’s”** means Moody’s Investors Service, Inc. and any successor thereto.

**“Officer’s Certificate”** means a written certificate of the Issuer signed by an Authorized Officer.

**"Opinion of Counsel"** means an opinion, in writing, signed by counsel, duly authorized to engage in the practice of law, who may be, but need not be, retained regularly by the Issuer, duly appointed by the Issuer and not unsatisfactory to the Trustee.

**"Optional Tender Date"** means any Business Day selected by the Holder pursuant to Section 3.06.

**"Order", "Requisition", "Request"** or similar instrument means an instrument of the Issuer, in writing, executed by its Chairman or Vice Chairman and Secretary, Assistant Secretary, Treasurer or Assistant Treasurer.

**"Outstanding", "Outstanding under this Indenture" or "Outstanding hereunder"** means, with reference to Bonds, as of any particular time, all Bonds executed, authenticated, issued and delivered under this Indenture; Provided, however, that such shall not include, in any case:

- A. Bonds canceled at or prior to such time;
- B. Bonds for payment of which monies shall have been deposited with the Trustee or shall have been set aside by the Trustee as provided herein for that purpose and which shall have matured by their express terms but which shall not have been surrendered for payment;
- C. Bonds in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article II or Section 7.03;
- D. Bonds for redemption of which moneys then shall be held, in trust, by the Trustee; Provided, however, that notice of such redemption shall have been given or written waivers of such notice shall have been received as provided herein;
- E. Bonds which shall be deemed to be paid as provided in Article XIII hereof; and
- F. Bonds held by the Developer or by the Partnership Guarantor or any affiliated entities or by Kenneth L. Ellis or by Arthur B. Berry, III.

**"Participants"** means those securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations that participate with the Securities Depository in a system under which the Securities Depository holds securities of its participants and facilitates the clearance and settlement of securities transactions in such securities through electronic book-entry changes in accounts of the participants.

**"Paying Agent"** means the commercial bank or trust company, if any, designated pursuant to this Indenture to receive and disburse the principal of and interest on the Bonds.

**"Permitted Investments"** shall mean and include any of the following securities, if and to the extent the same are permitted by law for funds of the Issuer:

- (a) Defeasance Securities;
- (b) Cash deposits (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in the next subparagraph).

(c) Direct obligations of (including obligations issued or held in book entry form on the books of the United States Department of Treasury) the United States of America.

(d) Obligations of federal agencies so long as such obligations are backed by the full faith and credit of the United States of America, including without limitation, the following agencies or any other like governmental or government-sponsored agencies that are hereafter created:

- (i) U.S. Export-Import Bank (Eximbank)
- (ii) Rural Economic Community Development Administration
- (iii) Federal Financing Bank
- (iv) U.S. Maritime Administration
- (v) U.S. Department of Housing and Urban Development (PHAs)
- (vi) General Services Administration
- (vii) Small Business Administration
- (viii) Government National Mortgage Association (GNMA)
- (ix) Federal Housing Administration
- (x) Farm Credit System Financial Assistance Corporation

(e) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks, including the Trustee and any of its affiliates, which either (i) have a short term deposit rating at the time of purchase of at least "P-1" by Moodys and "A-1" or "A-1+" by S&P, (ii) are insured at all times by the Federal Deposit Insurance Corporation, or (iii) are collateralized with direct obligations of the United States of America at one hundred two percent (102%) valued daily. All such certificates must mature no more than three hundred sixty (360) days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank).

(f) Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit or bankers' acceptances of depository institutions, including the Trustee or any of its affiliates, rated at the time of purchase in the "AA" long-term ratings category or higher by at least two (2) nationally recognized rating agencies.

(g) General obligations of states with a short-term rating at the time of purchase in one of the two (2) highest rating categories and a long-term rating at the time of purchase in one (1) of the two (2) highest rating categories of at least two (2) nationally recognized rating agencies. In the event such obligations are variable rate obligations, the interest rate on such obligations must be reset not less frequently than annually.

(h) Money market funds rated at the time of purchase "Aam", "Aam-G" or better by S&P and "Aa2" or better by Moody's.

**"Project"** has the meaning specified in the recitals to this Indenture.

**“Project Fund”** means the Fund established by Section 4.01 and whose operation is detailed in Section 4.04.

**“Purchase Price”** means an amount equal to 100% of the principal amount of the 2013 Bonds tendered for purchase pursuant to Section 3.06, plus accrued and unpaid interest thereon to the Optional Tender Date.

**“Record Date”** means any Regular Record Date or any Special Record Date as those terms are defined herein.

**“Redemption Price”** means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Indenture.

**“Regular Record Date”** means the date which is fifteen days (whether or not a Business Day) immediately preceding each Interest Payment Date.

**“Replacement Bonds”** has the meaning specified in Section 2.09.

**“Representation Letter”** means that letter from the Issuer to the Securities Depository with respect to the issuance of the Bonds in book entry form.

**“Reserve Requirement,”** means (A) when used with respect to the 2013 Bonds, initially, the amount specified in Section 4.02(a)(iii) from the Date of Issue to the one-year anniversary of the completion date of the Project, as evidenced by the filing of the Officer’s Certificate under Section 4.04(c), and thereafter the Minimum Reserve Requirement, and (B) when used with respect to any Additional Bonds or any separate Debt Service Reserve Fund established for any Series of Additional Bonds in accordance with Section 2.04, the amount set forth in the Supplemental Indenture providing for the issuance of such Additional Bonds or the creation of a separate Debt Service Reserve Fund for such Additional Bonds.

**“Revenue Fund”** means the Fund established by Section 4.01 and whose operation is detailed in Section 4.03.

**“S&P”** means Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, and any successor thereto.

**“Securities Depository”** means, initially, The Depository Trust Company, New York, New York, and thereafter any successors and assigns, as provided in Section 2.09.

**“Series”** means the series specifically designated with respect to Bonds issued hereunder.

**“Sinking Fund Installment”** means the amount of money provided in this Indenture to redeem or pay at maturity Term Bonds at the times and in the amounts provided in this Indenture. The Sinking Fund Installments for the 2013 Bonds are set forth in Section 3.01 of this Indenture.

**“Special Record Date”** means the date fixed by the Trustee pursuant to Section 2.02 for the payment of Defaulted Interest.

“**Surplus Fund**” means the Fund established by Section 4.01 and whose operation is detailed in Section 4.09.

“**Supplemental Indenture**” means an indenture the execution of which is authorized by the Issuer and which indenture is amendatory of or supplemental to this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

“**Tax Fund Escrow Agent**” means Manufacturers and Traders Trust Company, in such capacity, under the Tax Fund Escrow Agreement.

“**Tax Fund Escrow Agreement**” means the Tax Fund Escrow Pledge and Security Agreement by and among the Developer, the Trustee and the Tax Fund Escrow Agent.

“**Tax Increment Account**” means the account authorized by Section 4.01 of the Revenue Fund into which all incremental tax revenues are to be deposited and which is the “tax increment fund” referenced in the TIF Act.

“**Tax Increment Revenues**” shall mean the incremental tax revenues, determined with reference to the tax increment base and pledged to the Issuer by the Taxing Bodies pursuant to the Cooperation Agreement, including any scheduled payments thereof, interest thereon and the net proceeds of the redemption or sale of property sold as a result of foreclosure of the lien to the amount of such lien and interest thereon, including any penalties collected in connection with delinquent taxes, in each case to the extent attributable to such levy.

“**Taxing Bodies**” means the County, the School District and the Township. Any one of such Taxing Bodies are referred to herein as a “**Taxing Body**.”

“**Term Bonds**” means the Bonds of any Series payable prior to or at their stated maturity from Sinking Fund Installments.

“**Trustee**” means Manufacturers and Traders Trust Company, and its successors, and any other corporation that may at any time be substituted in its place as provided in Section 6.10.

“**UCC**” has the meaning specified in Section 6.13.

## **Section 1.02. Rules of Construction.**

Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Indenture:

(a) Words importing the singular number include the plural number and words importing the plural number include the singular number.

(b) Words of the masculine gender include correlative words of the feminine and neuter genders.

(c) The headings and the table of contents set forth in this Indenture are solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

(d) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(e) Any reference to a particular percentage or proportion of the Holders of Bonds shall mean the Holders at the particular time of the specified percentage or proportion in aggregate principal amount of all Bonds then Outstanding under this Indenture, except Bonds held by or for the account of the Issuer, whether or not pledged to or by the Issuer; however, Bonds so pledged may be regarded as Outstanding for the purposes of this paragraph if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to vote such Bonds. Any reference herein to Bonds the consent or direction of a specified proportion of the Holders of which is required or permitted prior to the taking of any action hereunder shall mean the Holders of such proportion of Outstanding Bonds as shall be affected thereby.

(f) Any reference to the Project Fund, the 2013 Clearing Fund, the Debt Service Reserve Fund, the Debt Service Fund, the Capitalized Interest Account, the Revenue Fund, the Surplus Fund and the Administrative Expense Fund shall be to the Fund or account so designated that is created under Article IV. If any Supplemental Indenture provides for the establishment of separate Funds and accounts for any Series of Bonds, then any provision of this Indenture requiring or permitting the application of amounts on deposit in any Fund or account to the payment of any Bond or the transfer of amounts on deposit in any Fund or account maintained for any Bonds to any other Fund or account shall refer to the Fund or account maintained for such Bonds.

(g) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.

## **ARTICLE II**

### **AUTHORIZATION AND DETAILS OF THE BONDS; ADDITIONAL BONDS**

#### **Section 2.01. Bonds Authorized.**

No Bonds are permitted to be issued under the terms of this Indenture except in accordance with the provisions of this Article II and with respect to Additional Bonds, such additional provisions as shall be set forth in a Supplemental Indenture.

There is authorized for issuance hereunder initially a Series of Bonds, which Series shall constitute the 2013 Bonds in the aggregate principal amount of Thirteen Million Eight Hundred Twenty-one Thousand and 00/100 Dollars (\$13,821,000). The 2013 Bonds shall be designated as "Monroe County Industrial Development Authority Tax Increment Financing Revenue Bonds (Camelback Pocono Township Project), Series of 2013 (Federally Taxable)". Additional Bonds may be issued as provided in Section 2.04 of this Indenture and will have such designation as is set forth in the Supplemental Indenture authorizing the issuance thereof. Bonds may be issued in one or more Series. Each Series of Bonds may bear interest at an interest rate or rates, as specified in this Indenture or a Supplemental Indenture.

#### **Section 2.02. Details of 2013 Bonds; Form of 2013 Bonds.**

(a) The 2013 Bonds will be issued in definitive form as fully registered bonds without coupons in Authorized Denominations. Each 2013 Bond is to be dated as of the date of authentication thereof. Each 2013 Bond will bear interest from the December 1 or June 1 which immediately precedes the date such 2013 Bond was authenticated unless (i) such date of authentication is an Interest Payment Date, in which case interest will accrue from said Interest Payment Date, (ii) such date of authentication is

on or prior to June 1, 2014, in which case interest will accrue from the Date of Issue, (iii) such date of authentication is after a Regular Record Date but before the next succeeding Interest Payment Date, in which case such 2013 Bond will bear interest from such succeeding Interest Payment Date, or (iv) interest on the 2013 Bond is in default, in which case interest will accrue from the date on which interest on the 2013 Bond was last provided for or paid.

Interest on the 2013 Bonds will be computed on the basis of a 360 day year comprised of twelve 30 day months.

(b) The 2013 Bonds will bear interest at the Base Rate payable on each Interest Payment Date, commencing June 1, 2014, until maturity or final payment; subject, however, to Section 9.01. The 2013 Bonds will mature on December 1, 2033.

(c) The 2013 Bonds are subject to redemption prior to maturity in accordance with Section 3.01 and subject to tender at the option of the Holder in accordance with Section 3.06.

(d) The 2013 Bonds will be substantially in the form set forth in Appendix A attached hereto and made a part hereof, with such insertions, omissions and variations as may be deemed necessary or appropriate by the officers of the Issuer executing the same and as shall be permitted by the TIF Act.

(e) The principal of, premium, if any, and interest on the 2013 Bonds is payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and such principal and premium, if any, will be payable at the designated office of the Trustee, or its successor Trustee, or at the office of any alternate Paying Agent, if any, named in any such 2013 Bond upon presentation and surrender thereof.

Subject to the provisions of Section 2.02(j) relating to periods during which the 2013 Bonds are registered in the name of a Securities Depository, payment of the interest on any 2013 Bond will be made to the person appearing on the Bond Register as the Registered Owner thereof as of the Regular Record Date and will be paid:

(i) by check of the Trustee mailed to such Registered Owner on the Interest Payment Date (provided, however, that if such Interest Payment Date is not a Business Day, such payment will be mailed to such Registered Owner on the Business Day next succeeding such Interest Payment Date) at such Registered Owner's address as it appears on the Bond Register or at such other address as is furnished to the Trustee in writing by such Registered Owner;

(ii) in the case of an interest payment to any Registered Owner of \$1,000,000 or more in aggregate principal amount of 2013 Bonds as of the close of business of the Trustee on the Regular Record Date for a particular Interest Payment Date, by wire transfer to such Registered Owner upon written notice from such Registered Owner containing the wire transfer address to a designated account at a member bank of the Federal Reserve System to which a Registered Owner wishes to have such wire directed, which written notice is received not less than one (1) Business Day prior to such Regular Record Date; or

(iii) in such other manner as is agreed upon between the Registered Owner and the Trustee.

(f) Defaulted Interest and Special Record Date. Defaulted Interest with respect to any 2013 Bond will cease to be payable to the Holder of such 2013 Bond as of the relevant Regular Record Date and will be payable to the Holder in whose name such 2013 Bond is registered at the close of business on

the Special Record Date for the payment of such Defaulted Interest, which Special Record Date will be fixed in the following manner:

(i) The Issuer will notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each 2013 Bond and the date of the proposed payment (which date is to be such as will enable the Trustee to comply with requirements of clause (ii) of this subsection (f)), and will deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or will make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment. Money deposited with the Trustee is to be held in trust for the benefit of the Holders of the 2013 Bonds entitled to such Defaulted Interest as provided in this subsection.

(ii) Following receipt of such funds the Trustee is to fix a Special Record Date for the payment of such Defaulted Interest which must be not less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Trustee of the notice of the proposed payment.

(iii) The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, will cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Holder of a 2013 Bond entitled to such notice at the address of such Holder as it appears on the Bond Register not less than ten (10) days prior to such Special Record Date.

(iv) Defaulted Interest shall be due and payable at the Default Interest Rate calculated from the date of the occurrence of the Event of Default.

(g) Any Series of Additional Bonds will be entitled to such security, will bear interest, be subject to redemption prior to maturity and will otherwise have the terms, tenor, Authorized Denominations, details and specifications as set forth in Section 2.04 and in the Supplemental Indenture authorizing the issuance of such Additional Bonds.

(h) Bonds Not Subject to Acceleration. The principal of the Bonds shall not be subject to acceleration, provided that nothing in this Section shall in any way prohibit the prepayment or redemption of Bonds under Article III, or the defeasance of the Bonds and discharge of this Indenture under Section 8.01.

(i) Numbering, CUSIPs and Other Notations. Unless the Issuer otherwise directs pursuant to an Order, the Bonds are to be numbered from R-1 upward. Before authenticating and delivering any Bond, the Trustee must complete the form of such Bond to show the Registered Owner, principal amount, interest rate, if any, maturity date, number and authentication date of such Bond.

The Issuer, solely for the convenience of the Owners of the Bonds, has caused CUSIP (Committee on Uniform Security Identification Procedures) numbers to be printed on such Bond. No representation is made as to the correctness or accuracy of such numbers, either as printed on such Bonds or as contained in any notice of redemption, and the Issuer and the Trustee have no liability of any sort with respect thereto. Reliance with respect to any redemption notices with respect to any Bond may be placed only on the identification number printed thereon.

The Bonds may contain, or have endorsed thereon, any notations, legends or endorsements not inconsistent with the provisions of this Indenture or of any Supplemental Indenture authorizing the same as may be necessary or desirable and as may be determined by the officers of the Issuer executing the



Bonds prior to the authentication and delivery of such Bonds. The execution and delivery of the Bonds by the Issuer in accordance with this Indenture shall be conclusive evidence of the approval of the form of such Bonds by the Issuer, including any insertions, omissions, variations, notations, legends or endorsements authorized by this Indenture.

(j) Book-Entry System. No later than the later of October 1, 2016 and the date of the Certificate of Occupancy of the hotel component the Development, the Trustee shall give notice, in writing, to the Issuer and the Bondholder Representative that the 2013 Bonds are expected to become eligible to be issued in “Book-Entry” form no earlier than December 12, 2016.

(i) Anything in this Section 2.02 to the contrary notwithstanding, and except as provided in clause (iii) or clause (vi) of this subsection (j), upon eligibility of the 2013 Bonds to be issued in “Book-Entry” form and the request of the Bondholder Representative, all but not less than all of the 2013 Bonds will be issued in Authorized Denominations in “Book-Entry” form, registered in the name of the Securities Depository or its nominee, Cede & Co. Payment of principal of, interest and amounts payable upon prior redemption of any of the 2013 Bonds registered as of each Record Date in the name of Cede & Co. will be made, by the Federal Reserve System wire transfer of immediately available funds or equivalent same day funds to the account of Cede & Co. on the payment date, as applicable, for the 2013 Bonds at the address for Cede & Co. indicated on the Bond Register.

(ii) The Trustee may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the 2013 Bonds registered in its name for the purposes of payment of the principal of, Redemption Price or Purchase Price, or interest on the 2013 Bonds, selecting the 2013 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Indenture, registering the transfer of 2013 Bonds, obtaining any consent or other action to be taken by the Bondholders and for all other purposes whatsoever, and the Trustee shall not be affected by any notice to the contrary. The Trustee shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the 2013 Bonds under or through the Securities Depository or any Participant, or any other person which is not shown on the registration books for the 2013 Bonds as being a Bondholder, with respect to the accuracy of any records maintained by the Securities Depository or any Participant with respect to any beneficial ownership interest in the 2013 Bonds; the payment by the Securities Depository or any Participant of any amount in respect of the principal of, Redemption Price or Purchase Price or interest on the 2013 Bonds; any notice (or the timeliness thereof) which is permitted or required to be given to Bondholders under this Indenture; the selection by the Securities Depository or any Participant of any person to receive payment in the event of a partial redemption of the 2013 Bonds; or any consent given by the Securities Depository as Bondholder. The Trustee shall pay all principal of and interest on and amounts payable on redemption of the 2013 Bonds only to or “upon the order of” (as that term is used in the Uniform Commercial Code as adopted in the Commonwealth) the Securities Depository, and all such payments shall be valid and effective to fully satisfy and discharge the obligations of the Issuer with respect to the principal of, premium, if any, and interest on the 2013 Bonds to the extent of the sum or sums so paid. Except as provided in (iii) and (vi) below, no person other than the Securities Depository shall receive an authenticated or registered Bond evidencing the obligation of the Issuer to make payments pursuant to this Indenture. Upon delivery by the Securities Depository to the Trustee of written notice to the effect that the Securities Depository has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word “Cede & Co.” in this Indenture shall refer to such new nominee of the Securities Depository.

(iii) At the Request of the Issuer and the Bondholder Representative, submitted to the Trustee, the Trustee shall notify the Securities Depository of the Issuer's desire to discontinue the book-entry system for all but not less than all of the 2013 Bonds Outstanding, whereupon the Securities Depository will notify the beneficial owners of the availability through the Securities Depository of Bond certificates. The Securities Depository may determine to discontinue providing its services with respect to the 2013 Bonds at any time by giving reasonable prior written notice to the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances Replacement 2013 Bonds shall be issued pursuant to Section 2.09. If Replacement 2013 Bonds are so issued, the provisions of this Indenture regarding the Trustee's duties as Bond Registrar and Paying Agent will become applicable, including, but not limited to, the transfer and exchange of such Bond certificates and the method of payment of principal of and interest on such Bond certificates.

(iv) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of the Securities Depository, all payments with respect to the principal of and interest on and amounts payable on redemption of such 2013 Bonds and all notices with respect to such 2013 Bonds are to be made and given to the Securities Depository as provided in the Representation Letter.

(v) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture by the Trustee or with respect to any consent or other action to be taken by the Bondholders thereof, the Trustee will establish a record date for such consent or other action and give the Securities Depository notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to the Securities Depository shall be given only when the Securities Depository is the sole Bondholder.

(vi) Upon the Request of the Issuer, submitted to the Trustee, that the Trustee substitute another securities depository company (qualified to act as such under Section 12(a) of the Securities Exchange Act of 1934) for the Securities Depository, or appoint a successor securities depository (qualified to act as such under Section 12 (a) of the Securities Exchange Act of 1934) upon the discontinuance of service by the Securities Depository (both subject to the provisions of Section 2.10 hereof), the Trustee will immediately request the Securities Depository to transfer its custodial records to the successor securities depository and the 2013 Bonds to the Trustee and to take all other actions deemed necessary or appropriate by the Trustee to effectuate the transfer of the services from the Securities Depository to another securities depository company.

(k) THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE PRINCIPAL OF THE BONDS, NOR THE INTEREST ACCRUING THEREON, SHALL EVER CONSTITUTE A GENERAL INDEBTEDNESS OF THE ISSUER OR AN INDEBTEDNESS OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER OR SHALL EVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, NOR WILL THE BONDS BE, OR BE DEEMED TO BE, AN OBLIGATION OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF. THE ISSUER HAS NO TAXING POWER.

### **Section 2.03. Conditions Precedent to Delivery of 2013 Bonds.**

The 2013 Bonds are to be executed by the Issuer and delivered to the Trustee, whereupon the Trustee, as Bond Registrar, will authenticate the 2013 Bonds and, upon payment of the purchase price of the 2013 Bonds, will deliver the 2013 Bonds upon the written order of the Issuer, but only upon delivery to the Trustee of:

- (a) a copy of this Indenture executed by the Issuer and the Trustee;
- (b) an Officer's Certificate of the Issuer directing the authentication and delivery of the 2013 Bonds, designating the purchasers to whom the 2013 Bonds are to be delivered, stating the purchase price of the 2013 Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the Issuer;
- (c) copies of the executed Cooperation Agreement, Development Agreement, Partnership Guaranty, Individual Guarantys, Tax Fund Escrow Agreement, Continuing Covenant Agreement, Collateral Assignment of Bond Documents, evidence of filing of the Declaration of Restrictive Covenants and such other documents as shall be identified by Bond Counsel to be executed and delivered prior to issuance of the 2013 Bonds;
- (d) an opinion of Bond Counsel to the effect that the Issuer is duly authorized and entitled to issue the 2013 Bonds and, upon the execution, authentication and delivery thereof as provided in this Indenture, the 2013 Bonds will be duly and validly issued and will constitute valid and binding special obligations of the Issuer;
- (e) an investor letter or letters in the form attached hereto as Appendix D signed by a duly authorized officer of each "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "1933 Act") or an "accredited investor" within the meaning of Rule 501 of Regulation D of the 1933 Act; and
- (f) the Closing Receipt.

### **Section 2.04. Authorization of Additional Bonds; Conditions Precedent to Delivery of Additional Bonds.**

(a) Additional Bonds for Refunding Permitted. In addition to the 2013 Bonds, subject to compliance with the requirements of the TIF Plan, including, to the extent required by the TIF Plan, the prior consent of each of the Taxing Bodies, the Issuer may from time to time issue Additional Bonds under and secured as provided in the Supplemental Indenture authorizing such Additional Bonds, subject to the further provisions of this Section, to refund or advance refund any Outstanding Bonds, in addition to paying the costs incurred in connection with the issuance and sale of such Additional Bonds and to fund the Debt Service Reserve Fund, if reasonably required.

No Additional Bonds may be issued for the purpose of refunding less than all then Outstanding Bonds unless (i) the Issuer will have delivered an Officer's Certificate to the effect that, after such partial refunding of Outstanding Bonds, total Debt Service is projected to be less than total Debt Service prior to such refunding, and (ii) the Bondholder Representative has consented thereto.

Additional Bonds may be authenticated, delivered and paid for in installments of less than the total authorized principal amount of a Series of Bonds from time to time as the Issuer may direct in its Order.

Notwithstanding anything herein to the contrary, the final maturity date of any Additional Bonds issued pursuant to this Indenture may not be later than December 1, 2033.

(b) Security for Additional Bonds. Each Series of Additional Bonds will share a parity lien on the Trust Estate with, and will be entitled to the same benefit and security of this Indenture as the 2013 Bonds and any other Series of Additional Bonds that may be issued from time to time, but only to the extent provided in this Section. Notwithstanding the foregoing, any Supplemental Indenture authorizing the issuance of Additional Bonds may provide that (i) such Series of Additional Bonds will not be secured by a Debt Service Reserve Fund, or (ii) such Additional Bonds will be secured by a separate Debt Service Reserve Fund.

Any Supplemental Indenture authorizing the issuance of Additional Bonds may provide that such Series of Additional Bonds are secured solely by Tax Increment Revenues or by such alternative or additional collateral as the Issuer, with the consent of the Taxing Bodies, may determine to deliver to the Trustee.

(c) Requirements of Supplemental Indenture Authorizing Additional Bonds. The issuance of Additional Bonds is to be authorized by a Supplemental Indenture, which must specify all matters required to be provided in this Section. The Supplemental Indenture authorizing the issuance of any Series of Additional Bonds shall specify the maturities and redemption provisions of such Additional Bonds, the form, Authorized Denominations, registration provisions and provisions for the exchange of such Additional Bonds and other details of such Additional Bonds. Any Supplemental Indenture authorizing the issuance of Additional Bonds may provide for the creation of separate Funds for such Additional Bonds.

If the Supplemental Indenture authorizing the issuance of any Additional Bonds provides that such Series of Additional Bonds will be secured by a separate Debt Service Reserve Fund, such Supplemental Indenture must (i) establish the amount of the Reserve Requirement for such Debt Service Reserve Fund, (ii) provide the period during which any deficiency shall be cured, which shall be a period of not more than twelve (12) months except in the case of any deficiency resulting from a decline in the value of the assets of such Debt Service Reserve Fund, (iii) contain provisions with respect to the issuance of any other Additional Bonds secured by such Debt Service Reserve Fund and (iv) provide such terms with respect to the valuation of such Debt Service Reserve Fund and the application of any earnings on or surpluses in such Debt Service Reserve Fund as the Issuer deems appropriate, any other provision of this Indenture to the contrary notwithstanding. If a separate Debt Service Reserve Fund is created for any Series of Bonds, the Reserve Requirement is to be calculated separately for each Series of Bonds for which a separate Debt Service Reserve Fund is maintained.

If any Supplemental Indenture authorizing the issuance of Additional Bonds provides for the establishment of separate Funds and accounts for any Series of Bonds, then such Supplemental Indenture must require that (i) amounts on deposit in the Revenue Fund on any date will be transferred *pro rata* among the Debt Service Funds on the basis of the principal of, the Sinking Fund Installments for and the interest on the Series of Bonds secured thereby due on such date, (ii) amounts on deposit in the Revenue Fund required to be transferred to the Debt Service Reserve Funds on any date will be allocated *pro rata* among all Debt Service Reserve Funds on the basis of the respective aggregate principal amounts of the Bonds Outstanding secured by such Debt Service Reserve Funds, and (iii) that amounts on deposit in the Funds and accounts created for particular Series of Bonds available for the payment of any Bonds will be applied solely to the payment of the principal or Redemption Price of and interest on, or the Purchase Price of, the Bonds of such Series and will not be available to satisfy the claims of Holders of Bonds of any other Series.

Any Supplemental Indenture authorizing the issuance of Additional Bonds may provide that any proceeds of such Additional Bonds and investment earnings thereon remaining after the completion of the Improvements refinanced with the proceeds of such Additional Bonds will be applied to the redemption of such Series of Additional Bonds.

(d) Conditions Precedent to the Issuance of Additional Bonds. The Bonds of each Series of Additional Bonds must be executed by the Issuer and delivered to the Trustee, whereupon the Trustee shall authenticate such Additional Bonds and deliver such Additional Bonds to or upon the Order of the Issuer, but only upon acknowledgement from the Trustee that the Issuer or the Trustee has received the purchase price of such Additional Bonds and each of the following:

(i) a copy of the applicable Supplemental Indenture authorizing the issuance of such Additional Bonds, executed by the Issuer and the Trustee;

(ii) a copy of a resolution duly adopted by the Issuer authorizing the issuance of such Additional Bonds pursuant to the TIF Act, together with an Officer's Certificate specifying the principal amount of such Additional Bonds and other matters relative thereto;

(iii) an Officer's Certificate to the effect that upon the issuance of such Additional Bonds, no Event of Default, as defined in Section 9.01, has occurred and is continuing;

(iv) an Officer's Certificate pursuant to Section 2.04(a);

(v) an opinion of Bond Counsel to the effect that (i) the Supplemental Indenture authorizing the issuance of such Additional Bonds is in full force and effect and is valid and binding upon the Issuer; and (ii) the Issuer is duly authorized and entitled to issue such Additional Bonds and, upon the execution, authentication and delivery thereof as provided in such Supplemental Indenture, such Additional Bonds will be duly and validly issued and will constitute valid and binding limited obligations of the Issuer;

(vi) an Order of the Issuer directing the authentication and delivery of such Additional Bonds, designating the purchasers to whom such Additional Bonds are to be delivered, stating the purchase price of such Additional Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the Issuer;

(vii) moneys or securities authorized for the investment of the Debt Service Reserve Fund in an amount equal to the amount, if any, required to make the amount on deposit in the Debt Service Reserve Fund equal the Reserve Requirement upon the issuance of such Additional Bonds;

(viii) certified copies of appropriate amendments to the TIF Plan, the TIF Ordinance and the Cooperation Agreement, as required, together with such legal opinions, documents and other certifications as may be necessary, in the judgment of Bond Counsel, to provide authorization of and security for the Additional Bonds; and

(ix) if applicable, an investor letter or letters in the form attached hereto as Appendix D signed by a duly authorized officer of each "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act or an "accredited investor" within the meaning of Rule 501 of Regulation D of the 1933 Act.

## **Section 2.05. Execution and Authentication.**

The Bonds shall be executed in the name and on behalf of the Issuer by the manual or facsimile signature of the Chairman or Vice Chairman of the Issuer and sealed with its corporate seal (or a facsimile thereof), attested by the manual or facsimile signature of the Secretary or Assistant Secretary to the Issuer, and (i) in the case of the 2013 Bonds is to be substantially in the form set forth in Appendix A attached to this Indenture and made a part hereof and (ii) in the case of Additional Bonds, is to be substantially in the form set forth in the Supplemental Indenture under which such Additional Bonds are issued. In case any officer whose manual or facsimile signature appears on the Bonds shall cease to be such officer before delivery of such Bonds, such signature, nevertheless, shall be valid and sufficient for all purposes as if such officer had remained in office until such delivery, and the Issuer may adopt and use for the execution of Bonds the manual or the facsimile signature of any person who shall have been at the time the proper officer to execute such Bonds, notwithstanding the fact that such person may not have been such officer on the date of such Bonds or that such person may have ceased to be such officer at the time when such Bonds shall be actually authenticated and delivered.

No Bond shall be valid or obligatory for any purpose or entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication substantially in the form set forth in Appendix A attached to this Indenture or the form set forth in the Supplemental Indenture authorizing the issuance thereof (as the case may be), duly executed by the Trustee, and such certificate of the Trustee upon any Bond executed on behalf of the Issuer shall be conclusive evidence and the only evidence required that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefits of this Indenture. The certificate of the Trustee may be executed by any authorized signatory of the Trustee.

## **Section 2.06. Registration and Exchange of Bonds.**

The Bonds shall be negotiable instruments for all purposes and shall be transferable by delivery, subject only to the provisions for registration and registration of transfer endorsed on the Bonds.

The Issuer shall cause books for registration and the registration of transfer of Bonds to be prepared. The registration books shall be kept by the Trustee as Bond Registrar.

If any Bond is surrendered to the Trustee at its designated office for transfer or exchange in accordance with the provisions of such Bond, the Issuer will execute and the Trustee will authenticate and deliver in exchange for such Bond a new Bond or Bonds of the same Series, in any Authorized Denominations, bearing interest at the same rate and having the same stated maturity date, in aggregate principal amount equal to the principal amount of the Bond so surrendered, upon reimbursement to the Issuer and the Trustee of an amount equal to any tax or other governmental charge required to be paid with respect to such exchange.

Except as may be otherwise provided in any Supplemental Indenture with respect to a Series of Additional Bonds, the Trustee will not be required to register the transfer or exchange of any Bond (i) during a period beginning at the opening of business fifteen days before the day of the mailing of notice of redemption of the Bonds and ending at the close of business on the day of such mailing, (ii) at any time following the selection of such Bond, in whole or in part, for redemption, or (iii) during the period commencing on a Record Date and ending on the corresponding Interest Payment Date.

**Notwithstanding anything herein to the contrary, during the period ending the later of December 12, 2016, and the date of the Certificate of Occupancy for the hotel component of the**

**Development, any transfer of legal or beneficial ownership of the 2013 Bonds, including transfer of an interest in the book entry account representing the Bonds at the Securities Depository or its nominee, Cede & Co, shall be conditioned upon delivery by the proposed transferee to the Trustee, the Bond Registrar and the Issuer of an investor letter in substantially the form set forth in Appendix D hereto, and each Owner agrees not to transfer the 2013 Bonds except upon such delivery.**

**Section 2.07. Bonds Mutilated, Destroyed, Lost or Stolen.**

If any temporary or definitive Bond becomes mutilated or is destroyed, lost or stolen, the Issuer, in its discretion, may execute, and, upon its Order, the Trustee will authenticate and deliver, a new Bond of like tenor, amount, maturity and Series in exchange for the mutilated Bond, or in lieu of and substitution for the Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the Issuer and to the Trustee (i) evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Bond and of the ownership thereof and (ii) such security or indemnity as may be required by them to save each of them harmless from all risks, however remote. Upon the issuance of any Bond upon such exchange or substitution, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees and expenses, of the Issuer and the Trustee.

If any Bond that has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, instead of issuing a Bond in exchange or substitution therefor, the Issuer may pay or authorize the payment of such Bond (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the Issuer and to the Trustee evidence to the satisfaction of the Issuer and to the Trustee of the mutilation, destruction, loss or theft of such Bond and of the ownership thereof and, in the case of any destroyed, lost or stolen Bond, such security or indemnity as they may require to save them harmless.

Every Bond issued pursuant to the provisions of this Section in exchange or substitution for any Bond that is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Bond shall be found at any time, or be enforceable by anyone (any such mutilated, destroyed, lost or stolen Bond that is found following the exchange or substitution of a new Bond for that mutilated, destroyed, lost or stolen Bond shall be deemed to have been canceled), and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued under this Indenture. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

**Section 2.08. Cancellation and Disposition of Bonds.**

All mutilated Bonds, all Bonds surrendered for exchange or transfer, all Bonds that have been paid at maturity or upon prior redemption and all Bonds surrendered to the Trustee for cancellation or purchased by the Trustee shall be canceled by the Trustee and cremated or destroyed by other means, in accordance with applicable laws and regulations and the Trustee's policies and procedures. Upon request, the Trustee will deliver to the Issuer a certificate of any such cremation or other destruction of any Bond, identifying the Bond so canceled and cremated or otherwise destroyed.

### **Section 2.09. Replacement Bonds.**

If the Bonds are held in the book-entry system pursuant to Section 2.02(j) and pursuant to Section 2.02(j)(iii), the Issuer determines to discontinue the book-entry system, then the Trustee will be required to notify the Securities Depository and request the Securities Depository to notify its Participants of the Issuer's determination and of the availability of certificates with respect to beneficial interests in the Bonds. The Trustee must cause certificates to be prepared, at the Issuer's expense, for delivery to such beneficial owners, or their nominees, in appropriate amounts and in accordance with and in reliance upon the Bond registry of the Securities Depository or custodial records of the Securities Depository, making such adjustments and allowances as it may find necessary or appropriate as to the date of such certificates, accrued interest and previous calls for redemption.

In such event, all references to the Securities Depository herein will relate only to the period of time when the Securities Depository has possession of at least one Bond and will be applicable only to such Bonds held. Upon issuance of such replacement Bonds (the "Replacement Bonds"), all references herein to obligations imposed upon or to be performed by the Securities Depository will be deemed to be imposed upon and performed by the Trustee or alternate or successor transfer agent, to the extent applicable with respect to such Replacement Bonds.

In the event the Securities Depository resigns or the Issuer makes the determination set forth in the first paragraph of this Section 2.09 and the Issuer or beneficial owners are unable to locate a qualified successor, then the Trustee, upon receipt of the Bond registry records of the Securities Depository, and in reliance thereon, will be required at the Issuer's expense to authenticate and cause delivery of Replacement Bonds with respect to the interests of the beneficial owners.

### **Section 2.10. Successor Securities Depository.**

In the event of a change in the Securities Depository, the Trustee is required to request any successor Securities Depository to present to the Trustee and the Issuer written evidence satisfactory to the Issuer with respect to its ability to discharge its responsibilities. Any such successor Securities Depository is to be a securities depository which is registered as such under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulations, and has done all things required thereby (or, if such requirements are not a requirement of applicable law with respect to the Bonds, the Issuer may permit a successor Securities Depository with comparable qualifications, upon evidence satisfactory thereof being delivered to the Issuer and the Trustee). The Trustee upon its receipt of a Bond certificate for cancellation will cause the authorization and delivery of Bond certificates to the successor Securities Depository (or its nominee) in appropriate Authorized Denominations and form as authorized hereunder.

## **ARTICLE III REDEMPTION AND TENDER OF BONDS**

### **Section 3.01. 2013 Bonds Subject to Redemption.**

The 2013 Bonds at the time Outstanding may be redeemed prior to their respective maturities as follows:

(a) Optional Redemption. The 2013 Bonds are subject to redemption prior to maturity on and after December 1, 2023, at the option of the Issuer, as a whole or in part at any time, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption.



(b) Mandatory Sinking Fund Redemption; Purchases of 2013 Bonds. The 2013 Bonds are subject to mandatory sinking fund redemption prior to maturity at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption from mandatory Sinking Fund Installments on December 1 of the following years in the following amounts:

Term Bonds  
Maturing December 1, 2033

| <u>Date</u> | <u>Sinking Fund Installment</u> |
|-------------|---------------------------------|
| 2015        | \$ 200,000                      |
| 2016        | 315,000                         |
| 2017        | 343,000                         |
| 2018        | 373,000                         |
| 2019        | 407,000                         |
| 2020        | 443,000                         |
| 2021        | 483,000                         |
| 2022        | 526,000                         |
| 2023        | 573,000                         |
| 2024        | 624,000                         |
| 2025        | 680,000                         |
| 2026        | 741,000                         |
| 2027        | 808,000                         |
| 2028        | 880,000                         |
| 2029        | 958,000                         |
| 2030        | 1,044,000                       |
| 2031        | 1,138,000                       |
| 2032        | 1,240,000                       |
| 2033*       | 2,045,000                       |

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\*Maturity

If (i) the Trustee purchases Term Bonds during any Bond Year, (ii) the Issuer delivers to the Trustee for cancellation on or before the 45th day next preceding any December 1<sup>st</sup> on which a Sinking Fund Installment is due for Term Bonds subject to redemption from such Sinking Fund Installment, or (iii) Term Bonds subject to redemption from a Sinking Fund Installment are otherwise redeemed during such Bond Year, then an amount equal to one-hundred percent (100%) of the aggregate principal amount of such Bonds so purchased, delivered to the Trustee for cancellation or redeemed shall be credited against such Sinking Fund Installment.

(c) Extraordinary Optional Redemption. The 2013 Bonds are subject to redemption prior to maturity at the option of the Issuer as a whole or in part at any time, at a Redemption Price equal to one-hundred percent (100%) of the principal amount thereof plus accrued interest thereon to the date set for redemption, (a) from funds transferred from the Project Fund to the Debt Service Fund in accordance with Section 4.04 in the event the Developer provides the Issuer with written notice that all or any portion of the amounts then on deposit in the Project Fund are not expected to be expended for purposes of the Project Fund and such amount to be transferred is \$100,000 or more; or (b) upon written direction from the Developer, upon the occurrence of any of the following conditions or events: (i) if title to, or the permanent use of, or use for a limited period of, any portion of the Development is condemned or the subject of an agreement with, or action by, a public authority in the nature of or in lieu of condemnation proceedings; or (ii) if title to any portion of the Development is found to be deficient; or (iii) if any

portion of the Development is damaged or destroyed by fire or other casualty, in each case to the extent that the ability of such portion of the Development to generate sufficient Tax Increment Revenues to pay debt service on the 2013 Bonds is substantially impaired.

(d) Special Mandatory Redemption. The Administrator, within thirty (30) days following the earlier of (i) the date upon which the Developer receives the Certificate of Occupancy for the hotel component of the Development, or (ii) October 10, 2015, shall make a determination as to whether Tax Increment Revenues anticipated to be received will be sufficient to make the transfers required under Section 4.03(b). If the Tax Increment Revenues expected to be received succeeding Bond Year will not be sufficient to make the transfers required under Section 4.03(b), the 2013 Bonds shall be subject to special mandatory redemption on or before the next Interest Payment Date.

In addition, the Administrator, within thirty (30) days following the monthly report provided by the Trustee pursuant to Section 4.10 as of the end of each Bond Year, shall make a determination as to whether Tax Increment Revenues received in such Bond Year were insufficient to make the transfers required under Section 4.03(b). If the Tax Increment Revenues received in any Bond Year commencing in the Bond Year ending December 1, 2016 were insufficient to make the transfers required under Section 4.03(b), the 2013 Bonds shall be subject to special mandatory redemption on or before the next Interest Payment Date.

The Administrator shall calculate the principal amount of 2013 Bonds to be so redeemed, which amount shall be sufficient in the estimation of the Administrator to enable the Trustee to make the transfers required under Section 4.03(b) from the estimated Tax Increment Revenues expected to be received in the current and subsequent Bond Years. The Administrator shall deliver the calculation, in writing, to the Trustee, the Issuer, the Bondholder Representative, the Developer and the Partnership Guarantor together with instruction to the Partnership Guarantor to pay over to the Trustee, not later than five days preceding the date fixed for redemption as specified therein, an amount equal to the Redemption Price plus accrued interest to the applicable date fixed for redemption, which date shall be the earlier to occur of thirty (30) days after delivery of such instruction or the next Interest Payment Date, subject to the notice requirements of Section 3.03.

The Trustee, upon receipt of said calculation, shall issue a conditional call notice and on the date fixed for redemption shall apply the amount so received from the Partnership Guarantor to the redemption of the specified principal amount of the 2013 Bonds.

(e) Special Optional Redemption at the Direction of the Bondholder Representative. The 2013 Bonds are subject to redemption prior to maturity, at the option of the Bondholder Representative, as a whole or in part at any time, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption solely from the amounts identified by the Administrator from the Surplus Fund pursuant to Section 4.09(a) hereof. The 2013 Bonds to be redeemed pursuant to this Section 3.01(e) shall be selected by the Bondholder Representative in the same manner as provided in Section 3.02 hereof and notice shall be given as provided in Section 3.03 hereof.

### **Section 3.02. Selection of Bonds to Be Redeemed.**

Subject to the Securities Depository's procedures if the Bonds are held in the book-entry system pursuant to Section 2.02(j) hereof, if fewer than all of the Bonds are to be redeemed at the option of the Issuer, the Series and maturities of the Bonds to be redeemed shall be selected by the Issuer. If fewer than all of the Bonds of a Series of any one maturity shall be called for redemption, the Trustee shall select or cause to be selected the particular Bonds or portions of Bonds of such Series to be redeemed from such maturity by lot or in such other manner as the Trustee in its discretion may deem proper, provided that the

portion of the Bond that shall remain Outstanding upon such redemption shall be in a principal amount equal to an Authorized Denomination for such Bond and, in selecting Bonds for redemption, each Bond shall be treated as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by the smallest Authorized Denomination for such Bond.

### **Section 3.03. Notice of Redemption.**

The Issuer shall give written notice to the Trustee of its election to redeem Bonds pursuant to Section 3.01(a) or 3.01(c). Each such notice shall be given at least thirty (30) days prior to the redemption date of such Bonds, or such fewer number of days as shall be acceptable to the Trustee. Upon receipt of such notice, the Trustee shall give notice in the name of the Issuer of the Issuer's election to redeem Bonds to the Registered Owners of the Bonds at least twenty (20) days prior to the date of redemption; provided, however, that if any Holder of such Bonds to be redeemed shall file a written waiver of notice with the Trustee, such Bonds may be redeemed on the redemption date without necessity of notice.

At least twenty (20) days before each date on which a mandatory redemption of Bonds pursuant to Section 3.01(b) is to occur, the Trustee shall select Term Bonds (or portions thereof) to be redeemed in an aggregate principal amount equal to the Sinking Fund Installment due on the next succeeding redemption date and shall give notice of the redemption of such Bonds to the Registered Owners of the Term Bonds (or portions thereof) so selected in the name of the Issuer.

Each notice of redemption of Bonds shall be given by first class mail in accordance with the terms of the Bonds and shall set forth (i) the maturities of the Bonds to be redeemed, (ii) the date fixed for redemption, (iii) the Redemption Price to be paid, (iv) the designated office of the Trustee at which such Bonds shall be redeemed, (v) the CUSIP numbers of the Bonds to be redeemed, (vi) if fewer than all of the Bonds of a Series of any one maturity then Outstanding shall be called for redemption, the distinctive numbers and letters, if any, of the Bonds to be redeemed, (vii) in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed, (viii) any conditions to such redemption and (ix) that on the redemption date, if all conditions, if any, to such redemption have been satisfied, there shall become due and payable upon all Bonds to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. If any Bond is to be redeemed in part only, the notice of redemption that relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond the Trustee at the designated office of the Trustee, a new Bond or Bonds of the same Series of Bonds and maturity, bearing interest at the same rate and of any Authorized Denomination will be issued in aggregate principal amount equal to the unredeemed portion of such Bond.

If at the time of mailing of any notice of redemption the Issuer shall not have deposited with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that it is subject to the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date and shall be of no effect unless such moneys are so deposited.

If notice of redemption shall have been given as provided in this Section or written waivers of such notice shall have been received as provided herein and all conditions, if any, to such redemption have been satisfied, then on or prior to the redemption date the Issuer shall pay to the Trustee an amount in cash that, in addition to other moneys, if any, available therefor held by the Trustee, shall be sufficient to redeem at the Redemption Price thereof, plus accrued interest to the redemption date, all of the Bonds to be redeemed on such date.

#### **Section 3.04. Redemption of Portion of Bond.**

If the Bonds are not registered in the name of a Securities Depository, in case part but not all of any Bond shall be selected for redemption, upon the presentation and surrender of such Bond to the Trustee for payment of the principal amount thereof so called for redemption, the Trustee shall make a notation on the Payment Record attached to and a part of the Bond showing the amount of the principal so redeemed and the principal amount that remains Outstanding.

#### **Section 3.05. Redemption of Additional Bonds.**

The provisions of this Article with respect to Additional Bonds are subject in all respects to the provisions of the Supplemental Indenture authorizing the issuance thereof.

#### **Section 3.06. Optional Tender of 2013 Bonds by Holder.**

The 2013 Bonds are subject to tender at the option of the Holder thereof on any Business Day on and after December 1, 2023, at the Purchase Price.

(a) Notice. Written notice of the election to tender the 2013 Bonds together with the Optional Tender Date, shall be given by the Holders to the Trustee who, in turn, shall provide notice to the Issuer, the Developer and the Partnership Guarantor, which Optional Tender Date shall be a Business Day not prior to the 90<sup>th</sup> day following the date of receipt of such notice by the Trustee. Upon delivery of such notice, the Holder must make arrangements to have its beneficial ownership interest in the 2013 Bonds being tendered transferred to the Trustee at or prior to 10:00 a.m., local time, on the Optional Tender Date.

(b) Election to Tender Irrevocable. Any election of the Holder to tender the 2013 Bonds for purchase on an Optional Tender Date in accordance with paragraph (a) above shall be irrevocable and shall be binding on the Holder making such election.

(c) Funds for Purchase of 2013 Bonds. Upon receipt of the notice under paragraph (a) above, the Trustee shall determine the balance in the Revenue Fund, the Debt Service Fund, the Surplus Fund and the Debt Service Reserve Fund, which balances shall be applied, as follows:

(i) In the event that the 2013 Bonds are tendered, in whole, and the available balances in the Funds have been determined by the Trustee to be sufficient to pay the Purchase Price on the Optional Tender Date, the Trustee hereby is directed to provide immediate written notice of such determination to the Issuer, the Developer and the Partnership Guarantor, and without any further direction, the Trustee shall transfer such available moneys to the Debt Service Fund not later than five days prior to the Optional Tender Date and apply all such moneys to payment of the Purchase Price of the 2013 Bonds on the date Optional Tender Date specified in paragraph (a) above, and the 2013 Bonds shall be retired and no longer Outstanding.

(ii) In the event that the 2013 Bonds are tendered, in part, and the available balances in the Funds, other than the Debt Service Reserve Fund, have been determined by the Trustee to be sufficient to pay the Purchase Price on the Optional Tender Date, the Trustee hereby is directed to provide immediate written notice of such determination to the Issuer, the Developer and the Partnership Guarantor, and without any further direction, the Trustee shall transfer the moneys available in such Funds (other than the Debt Service Reserve Fund) to the Debt Service Fund not later than five days prior to the Optional Tender Date and apply all such moneys to payment of the Purchase Price of the 2013 Bonds so tendered on the date Optional Tender Date

specified in paragraph (a) above, and the 2013 Bonds so tendered shall be retired and no longer Outstanding.

(iii) In the event that the available balances in the aforementioned Funds have been determined by the Trustee to be insufficient to pay the Purchase Price on the Optional Tender Date, the Trustee hereby is directed to provide immediate written notice of such determination to the Issuer, the Developer and the Partnership Guarantor, which written notice to the Partnership Guarantor shall specify the sum necessary to pay the Purchase Price on the 2013 Bonds to be tendered and the sum available in each Fund. Funds for the payment of the Purchase Price shall be derived from the following sources in the order of priority indicated:

(1) moneys on deposit with the Trustee in the Revenue Fund, the Debt Service Fund and the Surplus Fund;

(2) with respect to a tender, in whole, and the consent of the Developer and the Partnership Guarantor, the Debt Service Reserve Fund; and

(3) the balance to be paid over to the Trustee by the Partnership Guarantor in immediately available funds for deposit to the Guaranty Account of the Debt Service Fund not later than six days prior to the Optional Tender Date.

The Trustee, without any further direction, shall transfer the moneys available in the Funds, including moneys in the Debt Service Reserve Fund if so designated by the Partnership Guarantor pursuant to subclause (2) above, to the Debt Service Fund not later than five days prior to the Optional Tender Date and apply all such moneys to payment of the Purchase Price of the 2013 Bonds so tendered on the date Optional Tender Date specified in paragraph (a) above.

(d) Delivery and Disposition of Tendered Bonds. The 2013 Bonds so tendered for which the Purchase Price has been funded, in Authorized Denominations, with moneys from the Guaranty Account shall be registered in the manner directed by the Partnership Guarantor and remain Outstanding until presented for cancellation pursuant to Article III. All other 2013 Bonds so tendered shall be deemed to be no longer Outstanding. The principal portion of the Purchase Price for any 2013 Bonds tendered under this Section and no longer Outstanding shall be applied to the principal portion of the Sinking Fund Installment last to become due and shall not affect the obligation to pay the remaining scheduled Sinking Fund Installments.

## **ARTICLE IV FUNDS AND ACCOUNTS**

### **Section 4.01. Creation of Funds and Accounts.**

The following Funds and accounts hereby are created and shall be maintained by the Trustee under this Indenture:

- (a) Project Fund;
- (b) 2013 Clearing Fund;
- (c) Debt Service Reserve Fund;
- (d) Debt Service Fund, which includes a Capitalized Interest Account and a Guaranty Account;
- (e) Revenue Fund, which includes a Tax Increment Account;

- (f) Surplus Fund; and
- (g) Administrative Expense Fund.

Each of the foregoing Funds are to be held by the Trustee hereunder separate and apart from all other moneys and funds of the Trustee and the Issuer.

For the purposes of internal accounting, the Funds and accounts created pursuant to this Section may contain one or more accounts and sub-accounts, as the Issuer may direct in writing to the Trustee.

Pending the application of amounts on deposit in the Project Fund, the Debt Service Reserve Fund, the Debt Service Fund, the Surplus Fund and the Revenue Fund as provided in this Indenture, such amounts hereby are pledged to the payment of the principal of and interest on the Outstanding 2013 Bonds and, except as otherwise provided herein or in any Supplemental Indenture authorizing the issuance of any Additional Bonds, any Additional Bonds Outstanding. The Administrative Expense Fund and the 2013 Clearing Fund are not pledged to the payment of any Bonds.

#### **Section 4.02. Deposit of Bond Proceeds.**

(a) All of the net proceeds of the 2013 Bonds (including accrued interest) are to be deposited in the 2013 Clearing Fund established by Section 4.01, and upon the furnishing of an Officer's Certificate to the Trustee in connection with the original issuance and delivery of the 2013 Bonds on the Date of Issue (the "**Closing Receipt**"), which will specify amounts, are to be transferred, deposited or paid as set forth in such Closing Receipt as follows:

- (i) all accrued interest, if any, to be transferred to the Debt Service Fund in the amount identified in the Closing Receipt;
- (ii) capitalized interest in the amount set forth in the Closing Receipt to be deposited to the Capitalized Interest Account;
- (iii) an amount equal to one-half of the Minimum Reserve Requirement for the 2013 Bonds, to be deposited to the Debt Service Reserve Fund;
- (iv) the amount for Costs of Issuance allocated to the 2013 Bonds (after reserving therein any specific amounts for unpaid items of such costs and contingency therefor, if needed) including but not limited to the Issuer's Administrative Expenses and fees and Trustee's fees and expenses, to be deposited to and paid from the 2013 Clearing Fund;
- (v) the amount to be deposited to the Project Fund; and
- (vi) the amount to pay Administrative Expenses through the capitalized interest period to be deposited to the Administrative Expense Fund.

(b) The proceeds of any Additional Bonds are to be deposited in accordance with the Supplemental Indenture authorizing the issuance of such Bonds.

#### **Section 4.03. Revenue Fund.**

(a) As soon as practicable following receipt thereof, the Trustee will deposit or cause to be deposited to the Tax Increment Account of the Revenue Fund all Tax Increment Revenues received as

assignee of the Issuer and any Escrow Funds received by the Escrow Agent under the Tax Fund Agreement.

The Tax Increment Revenues pledged by the Taxing Bodies will be collected by the respective Taxing Bodies from the applicable taxpayers and then transferred to the Trustee for deposit to the Tax Increment Account of the Revenue Fund in accordance with Section 8 of the Cooperation Agreement.

(b) On each Interest Payment Date on which the principal or Redemption Price of any Bonds becomes due and on any other date when the payment of any Administrative Expenses relating to the TIF District is required, the Trustee shall transfer, from the Tax Increment Account, the following amounts to the following Funds in the following order of priority:

First: to the Administrative Expense Fund, such amount as shall be directed in writing by the Administrator estimated to be necessary to pay any Administrative Expenses then due and owing;

Second: to the Debt Service Fund, the amount necessary, after taking into account, first, any amounts then on deposit in the Debt Service Fund and the Capitalized Interest Account, second, any amounts then on deposit in the Surplus Fund and available for transfer to the Debt Service Fund, third, any amounts then on deposit in the Project Fund and available for transfer to the Debt Service Fund, and fourth, any amounts then on deposit in Debt Service Reserve Fund and available for transfer to the Debt Service Fund under Section 4.06(e), to make the amount in the Debt Service Fund equal to the amount necessary to pay the principal or Sinking Fund Installment, premium, if any, and interest due on the Bonds on such date; and

Third: to the Debt Service Reserve Fund, the amount necessary, after taking into account amounts then on deposit in the Debt Service Reserve Fund and any amounts then on deposit in the Surplus Fund and available for transfer to the Debt Service Reserve Fund (after giving effect to any amount required to be transferred from the Debt Service Reserve Fund to the Debt Service Fund), to make the amount in the Debt Service Reserve Fund equal to the Reserve Requirement.

The Trustee hereby is directed to determine the balance in the Revenue Fund as of each May 15<sup>th</sup> and November 15<sup>th</sup> and to obtain from the Administrator an estimate of the Administrative Expenses estimated to be due and payable on the next succeeding Interest Payment Date. In the event that the balance in the Revenue Fund, together with any available balance in the Surplus Fund, is determined by the Trustee to be insufficient to timely make the payments and transfers required by this Section 4.03(b) on such Interest Payment Date, the Trustee hereby is directed to immediately provide written notice to the Issuer and to the Partnership Guarantor, specifying the amount of such deficiency and instructing the Partnership Guarantor to pay over to the Trustee for deposit by the Trustee:

(i) not later than five days prior to such Interest Payment Date, into the Guaranty Account such amount as is specified as necessary to enable the Trustee to transfer to the Administrative Expense Fund such amount as is specified as necessary to pay Administrative Expenses due and payable or to become due prior to the next succeeding Interest Payment Date;

(ii) not later than five days prior to such Interest Payment Date, into the Guaranty Account such amount as is specified as necessary to enable the Trustee to make payment of principal of and interest and premium, if any, on the 2013 Bonds as scheduled on the next Interest Payment Date; and

(iii) within three months after the occurrence of the deficiency, into the Debt Service Reserve Fund, such amount as is specified as necessary to make the balance in the Debt Service Reserve Fund equal to the Reserve Requirement with respect to the 2013 Bonds in equal monthly installments.

(c) On December 15<sup>th</sup> of each year, commencing December 15, 2015, after payment of all principal or Sinking Fund Installments and interest due on the Bonds Outstanding on such date and any transfers to the Debt Service Reserve Fund and the Administrative Expense Fund required pursuant to this Section 4.03, any balances remaining on deposit in the Tax Increment Account are to be transferred to the Surplus Fund.

#### **Section 4.04. Project Fund.**

(a) Disbursements from the Project Fund, including any account or subaccount established therein, shall be made by the Trustee from time to time upon receipt of a properly executed and completed Requisition substantially in the form set forth in Appendix B attached to this Indenture and made a part hereof duly executed by the requisite signatories. The Issuer shall requisition amounts from the Project Fund in accordance with the Development Agreement; provided, however, that, notwithstanding any provision of the Development Agreement to the contrary, all requisitions of funds held in the Project Fund must be approved in writing by the Consulting Engineer and the Bondholder Representative. Moneys in the Project Fund shall be applied toward the payment of costs of the Project.

(b) If the Developer provides the Issuer with written notice that all or any portion of the amounts then on deposit in the Project Fund or in any account or subaccount therein are not expected to be expended for purposes of the Project Fund or any account or subaccount created therein then the Authorized Officer will file an Officer's Certificate with the Trustee to that effect identifying the amounts then on deposit in the Project Fund or in any account or subaccount therein that are not expected to be used for costs of such Improvements (excluding any amounts due, but unpaid, under the Development Agreement, or for Issuer costs incurred but not yet paid). The Trustee, upon receipt of such Officer's Certificate, shall transfer the amounts identified therein to (i) such other accounts or subaccounts of the Project Fund as provided therein until all Improvements have been completed and (ii) thereafter from the Project Fund to the Debt Service Fund to be applied toward the payment of interest due on the next Interest Payment Date or, if the amount is greater than \$100,000, toward the extraordinary redemption of the 2013 Bonds in accordance with Section 3.01(c) hereof.

(c) Upon the filing of an Officer's Certificate to the effect that the Project has been completed, the Trustee is to transfer the amount, if any, remaining in the Project Fund to the Debt Service Fund.

#### **Section 4.05. 2013 Clearing Fund.**

Amounts in the 2013 Clearing Fund shall be disbursed from time to time to pay Costs of Issuance, as set forth in the Closing Receipt delivered on the Date of Issue or in a Requisition substantially in the form attached hereto as Appendix C duly executed by the requisite signatories and delivered to the Trustee. The 2013 Clearing Fund will be closed by the Trustee upon the first to occur of (i) the payment of all costs for which moneys had been reserved in the 2013 Clearing Fund, (ii) the balance in such Fund is fully depleted and (iii) after the lapse of six (6) months from the Date of Issue.



Any moneys remaining in the 2013 Clearing Fund at the time the Trustee is authorized to close the 2013 Clearing Fund will be transferred to the Project Fund, or if the Project has then been completed, to the Debt Service Fund.

**Section 4.06. Debt Service Reserve Fund.**

(a) The Debt Service Reserve Fund for the 2013 Bonds shall initially be funded at the amount specified in the Closing Receipt delivered under Section 4.02(a). Upon completion of the Project, as evidenced by the filing of the Officer's Certificate under Section 4.04(c), the Developer shall make additional deposits to the Debt Service Reserve Fund for the 2013 Bonds over the succeeding twelve month period so as to increase the amount on deposit therein to equal the Minimum Reserve Requirement. In the event the Debt Service Reserve Fund for the 2013 Bonds is less than the Minimum Reserve Requirement at the end of the twelve month period following completion of the Project, the Trustee shall provide to the Issuer, the Developer and the Partnership Guarantor written notice that shall specify the amount necessary to make the balance in the Debt Service Reserve Fund equal to the Minimum Reserve Requirement, which written notice also shall instruct the Partnership Guarantor to pay over to the Trustee within three months from the date of such notice, for deposit by the Trustee into the Debt Service Reserve Fund, the amount so specified.

(b) If on any Interest Payment Date or any date on which the principal amount of or any Sinking Fund Installment for any Bond becomes due, the sum of the amount on deposit in the Debt Service Fund and the amount available to be transferred to the Debt Service Fund from the Surplus Fund and from the Guaranty Account is less than the sum of the principal of, the Sinking Fund Installment for and the interest on the Bonds due on such date, the Trustee hereby is authorized without further direction to transfer moneys promptly from the Debt Service Reserve Fund to the Debt Service Fund, to the extent necessary to cure any deficiency.

(c) Whenever a transfer is made from the Debt Service Reserve Fund to the Debt Service Fund due to a deficiency in the Debt Service Fund, the Trustee will provide written notice thereof to the Issuer, the Administrator, the Bondholder Representative, the Developer and, so long as any 2013 Bonds remain Outstanding, to the Partnership Guarantor, specifying the amount withdrawn. Upon receipt of such notice from the Trustee pursuant to this Section 4.06(c), the Issuer shall give, or cause to be given, written instruction to the Partnership Guarantor, under the provisions of the Partnership Guaranty, to pay over to the Trustee within three months after the occurrence of such deficiency such amounts as are necessary to replenish the amount in the Debt Service Reserve Fund to the Reserve Requirement on the 2013 Bonds in equal monthly installments.

(d) The Trustee will determine the value of the assets of the Debt Service Reserve Fund quarterly on each Interest Payment Date and on each March 1 and September 1 and on any other date at the Request of the Issuer. If the amount in the Debt Service Reserve Fund exceeds the Reserve Requirement, the Trustee will provide written notice to the Issuer of the amount of the excess and will transfer the excess from the Debt Service Reserve Fund first, upon Request of the Issuer prior to completion of construction of the Project, to the Capitalized Interest Account of the Debt Service Fund, the Project Fund or the Administrative Expense Fund, and thereafter, without further notice to or direction from the Issuer, to the Debt Service Fund.

(e) Whenever the balance in the Debt Service Reserve Fund, together with the balance in the Surplus Fund, equals or exceeds the amount required to redeem and retire all Outstanding Bonds secured hereby, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Trustee, upon the Request of the Issuer, shall transfer the amounts in the Debt Service Reserve Fund and the Surplus Fund to the Debt Service Fund as shall be specified by the Issuer. In the

event that the amounts so transferred to the Debt Service Fund exceed the amount required to pay, redeem and retire all of the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, such excess will first be applied to the payment of any outstanding Administrative Expenses and the balance transferred at the Request of the Issuer to the Taxing Bodies, *pro rata*, based upon their respective millage rates then in effect, free and clear of the lien of this Indenture.

**Section 4.07. Debt Service Fund.**

(a) On each Interest Payment Date and on each date on which the principal or Redemption Price or Purchase Price of any Bonds becomes due, the Trustee hereby is instructed to withdraw from the Debt Service Fund and pay to the Holders of the Bonds the principal of and interest and premium, if any, on the Bonds then due and payable, less any amount of such interest to be paid from the Capitalized Interest Account.

(b) Moneys in the Capitalized Interest Account are to be used exclusively for the payment of interest on the Bonds. Earnings on amounts deposited to the Capitalized Interest Account shall remain in and be applied as a part of such account. After transfer of all sums on deposit therein, the Capitalized Interest Account shall be closed.

(c) Subject to the provisions of paragraphs (a) and (b) of this Section, available moneys in the Debt Service Fund shall be applied by the Trustee to the purchase or redemption of Bonds, if available on the open market, of such Series and maturities as the Issuer shall direct. Notwithstanding the foregoing, amounts on deposit in the Debt Service Fund for the payment of the Sinking Fund Installments becoming due on any Term Bonds in any year shall be applied solely to the purchase of such Term Bonds, provided that, if at any time the amount credited against the Sinking Fund Installment for Term Bonds of any Series in accordance with Section 3.01(b) equals or exceeds the Sinking Fund Installment for such Term Bonds due on the immediately succeeding December 1, any excess amount on deposit in the Debt Service Fund for the payment of such Sinking Fund Installment shall be applied by the Trustee to the purchase of any Bonds then Outstanding as shall be directed in writing by the Issuer. Moneys required to pay the principal or Redemption Price or Purchase Price of or interest on any Bonds will not be deemed to be available for application as provided in this Section.

(d) If the Issuer determines to provide for the payment of any Bonds as provided in Section 8.01, amounts on deposit in the Debt Service Fund for the payment of the principal or Redemption Price of or interest on such Bonds will be used by the Trustee or will be paid to the escrow deposit agent for such Bonds upon the Order of the Issuer.

(e) In the event the Partnership Guarantor, from time to time, shall pay moneys to the Trustee pursuant to the Partnership Guaranty, if available and applicable, the Trustee shall deposit moneys so received in a separate subaccount which hereby is created within the Debt Service Fund which shall be designated as the Guaranty Account. In the event that the Trustee determines that moneys on deposit in the Debt Service Fund, together with moneys available from the Surplus Fund, as of May 15<sup>th</sup> and November 15<sup>th</sup> are insufficient to pay the Debt Service then due, the Trustee shall give instruction to the Partnership Guarantor, in writing, to make a deposit to the Guaranty Account not later than five days prior to the Interest Payment Date of a sum equal to the deficiency and necessary to provide sufficient moneys to make the Debt Service payment.

The Trustee shall apply amounts at any time on deposit in such account solely for the purpose of paying the principal of and interest and premium, if any, or Redemption Price or Purchase Price on the 2013 Bonds then due and payable and only after all other amounts legally available hereunder for the

payment of such debt service shall have been first applied for such purpose. In the event that, on any Interest Payment Date, the Trustee does not need to apply (or reserve for application) all or any portion of amounts on deposit in the Guaranty Account to pay the principal of and interest and premium, if any, or Redemption Price or Purchase Price on the 2013 Bonds due on such Interest Payment Date, the Trustee shall promptly return all such excess amount to the Partnership Guarantor, subject, however, to the provisions of Section 3.06.

**Section 4.08. Administrative Expense Fund.**

Amounts in the Administrative Expense Fund will be disbursed by the Trustee from time to time upon the Request of the Issuer to pay Administrative Expenses. Notwithstanding anything herein to the contrary, the Trustee may debit from the Administrative Expense Fund for its annual fees and expenses previously agreed to by the Issuer without need of direction from the Issuer. On December 31 of each year, commencing December 31, 2015, the Trustee, upon receipt of an Order from the Issuer, is to transfer any amounts then remaining in the Administrative Expense Fund that are not required to pay Administrative Expenses incurred but not yet paid to the Debt Service Fund.

**Section 4.09. Surplus Fund.**

(a) The Trustee will deposit into the Surplus Fund any moneys received by it pursuant to Section 4.03(c). Moneys in the Surplus Fund will be transferred on each Interest Payment Date as follows:

- First: to the Administrative Expense Fund to the extent that the amount on deposit in the Administrative Expense Fund is insufficient to pay all Administrative Expenses then due and owing;
- Second: to the Debt Service Fund, to the extent necessary, taking into consideration amounts then on deposit in the Debt Service Fund, to provide sufficient funds to pay Debt Service on such Interest Payment Date;
- Third: to the Debt Service Reserve Fund, to the extent necessary to cause the amount on deposit in the Debt Service Reserve Fund to equal the Reserve Requirement; and
- Fourth: prior to delivery of the Officer's Certificate described in Section 4.04(c), at the Request of the Issuer, to the Project Fund.

If, after making the foregoing transfers, the amount remaining in the Surplus Fund exceeds Annual Debt Service on the Bonds for the immediately succeeding twelve (12) month period, the Administrator shall provide written notice thereof to the Trustee, the Issuer and the Bondholder Representative of the amount available in the Surplus Fund, which moneys in the Surplus Fund shall be used, at the Request of the Issuer or written request of the Bondholder Representative, as applicable, to the optional redemption of the Bonds pursuant to and accordance with Article III. Moneys in the Surplus Fund also may be used to pay the last Bonds becoming due and any Bonds that are past due at such time (which may include principal as well as interest) unless such Bonds and all interest thereon be otherwise paid. Earnings on amounts on deposit in the Surplus Fund shall remain in and be applied as a part of such Fund.

(b) After payment in full of the principal of and interest on the 2013 Bonds (or provision has been made for the payment thereof as specified in this Indenture), and the fees, charges and expenses of the Trustee and any Paying Agent and any other amounts required to be paid under this Indenture, all

amounts remaining in the Surplus Fund will be paid over to the Taxing Bodies *pro rata* based upon their respective millage rates upon receipt of and as set forth in an Order from the Issuer.

#### **Section 4.10. Investments.**

(a) Moneys in the Project Fund and in any other Fund or account established pursuant to this Indenture is to be invested by the Trustee in Permitted Investments as directed by the Request of the Issuer. In the absence of any direction from the Issuer as to the investment of any moneys held hereunder, the Trustee shall cause such moneys to be invested in the Permitted Investments described in clause (h) of the definition thereof.

(b) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. Neither the Trustee nor the Issuer will incur any liability for losses arising from any investments made in accordance with this Section. The Trustee will not be required to determine the legality or suitability of any investments.

(c) In determining the value of the assets of the Funds and accounts created by this Indenture, investments and accrued interest thereon will be deemed a part thereof. Investments will be valued at current market value. Interest earned, profits realized and losses suffered by reason of any investment of the Funds and accounts created by this Indenture will be credited or charged, as the case may be, to the Fund or account for which such investment will have been made.

(d) Investments in any and all Funds and accounts may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or accounts of amounts received or held by the Trustee or the Issuer hereunder, provided that the Trustee or the Issuer, as applicable, will at all times account for such investments strictly in accordance with the Funds and accounts to which they are credited and otherwise as provided in this Indenture.

(e) The Trustee will furnish the Issuer, the Developer, the Administrator and the Bondholder Representative with monthly statements of the Funds and accounts established hereunder that are held by the Trustee, which statements shall include detail as to the source and amount of moneys received, all investment transactions, deposits, expenditures and balances of each of the Funds and accounts held hereunder by the Trustee as of the date of such statements.

(g) Ratings of Permitted Investments shall be determined at the time of purchase and without regard to ratings subcategories. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. In the absence of written investment instructions from the Issuer, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in Permitted Investments. Although the Issuer recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Issuer hereby agrees that confirmations of Permitted Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any Fund or account if no activity occurred in such Fund or account during such month.

#### **Section 4.11. Application of Funds for Retirement of Bonds.**

If the Issuer determines to provide for the payment or redemption of Outstanding Bonds, in whole, amounts on deposit in any Fund or account created by this Indenture (other than funds on deposit in the Administrative Expense Fund) are to be transferred to the Debt Service Fund or to any escrow

agent for the Bonds for the payment of the principal or Redemption Price of or interest on such Bonds upon the Request of the Issuer.

## **ARTICLE V COVENANTS OF THE ISSUER**

### **Section 5.01. Bonds Constitute Limited Obligations.**

The 2013 Bonds are limited obligations of the Issuer payable solely from and secured solely by the Trust Estate, including the Tax Increment Revenues and the amounts in the Debt Service Fund, the Debt Service Reserve Fund, the Project Fund, the Revenue Fund and the Surplus Fund created hereunder. The 2013 Bonds are “tax increment bonds” for purposes of the TIF Act, issued to accomplish the public purposes of the TIF Act.

### **Section 5.02. Encumbrances.**

The Issuer may not create and, to the extent Tax Increment Revenues are available for the discharge thereof, must not suffer to remain, any lien, encumbrance or charge upon the Tax Increment Revenues, or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, and except as otherwise provided herein. To the extent Tax Increment Revenues are available to the Issuer therefor, the Issuer will cause to be discharged, or will make adequate provisions to satisfy and discharge, within 120 days after the same shall accrue, all lawful claims and demands that, if unpaid, might by law become a lien upon any Tax Increment Revenues or such other property. Nothing contained in this Section will require the Issuer to pay or cause to be discharged, or make provision for, any such lien, encumbrance or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

### **Section 5.03. Books and Records.**

The Administrator, on behalf of the Issuer, will keep, or cause to be kept, proper books of record and account in which complete and correct entries are to be made of all transactions relating to the Tax Increment Revenues. Such books will be subject to the inspection of the Developer, the Trustee, the Taxing Bodies and any duly authorized representative of Holders of not less than ten (10%) percent of the Bonds, upon written request to the Issuer by the Trustee, the Developer, a Taxing Body or such representative, as applicable. The Issuer must provide the Developer, the Trustee, the Taxing Body or such representative, as applicable, an opportunity to inspect such books and records during the Issuer’s regular business hours and on a mutually agreeable date not later than 30 days after the Issuer receives such request.

### **Section 5.04. Collection of Tax Increment Revenues.**

(a) The Issuer shall comply in all material respects with all obligations of the Cooperation Agreement placed on the Issuer thereunder to the extent required to assure the timely collection of Tax Increment Revenues and for the payment of the Bonds and other amounts payable hereunder.

(b) In the event that any property located within the TIF District which has been offered for sale for nonpayment of taxes has not been purchased by a private purchaser, the Issuer will cause the Township and the Taxing Bodies to use reasonable efforts to continue to offer the property at tax sale until sold to a private purchaser, as provided in the Cooperation Agreement.

**Section 5.05. Rating(s) for the Bonds.**

At the written request of the Developer or of the Holders of a majority of the Bonds, the Issuer covenants and agrees to take any actions reasonably necessary to obtain a credit rating for the Bonds from Moody's, S&P and/or any similar bond rating service. The costs of obtaining and maintaining such credit rating is to be paid by the Developer, if the Developer has requested the rating, otherwise by the Holders requesting such rating. Neither the Trustee nor the Issuer will have any liability for payment of such costs.

**Section 5.06. Further Assurances.**

The Issuer will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for better assuring and confirming unto the Holders the rights and benefits provided in this Indenture.

**Section 5.07 Amendment of the Project.**

Nothing contained herein shall be construed to limit the right of the Issuer to amend the Project subject in all respects to the requirements of the TIF Act and the prior written consent of the Developer and the prior written consent of the Bondholder Representative.

**ARTICLE VI  
THE TRUSTEE AND ADMINISTRATOR**

**Section 6.01. Trustee as Bond Registrar and Paying Agent.**

The Trustee hereby is designated and agrees to act as Bond Registrar and Paying Agent for and in respect to the 2013 Bonds and, except as otherwise provided in any Supplemental Indenture, any Additional Bonds.

**Section 6.02. Trustee Entitled to Indemnity.**

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own gross negligence or willful misconduct. Nevertheless, the Trustee may, but shall not be required to, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Issuer shall reimburse the Trustee from the Tax Increment Revenues or amounts on deposit in any Fund, for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Issuer shall fail to make such reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

**Section 6.03. Responsibilities of the Trustee.**

The recitals contained in this Indenture and in the Bonds are to be taken as the statements of the Issuer and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no

representation as to the validity or sufficiency of this Indenture or the Bonds, or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof disbursed by the Trustee in accordance with this Indenture; or (iii) the application of any moneys paid to the Issuer or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee.

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 this Indenture, and no implied covenant or obligations should be read into this Indenture against the Trustee. If any Event of Default under this Indenture shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and shall use the same degree of care as a prudent person would exercise or use in the circumstances in the conduct of such prudent person's own affairs.

The Trustee agrees to perform such trusts only upon and subject to the following expressed terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereunder and perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

(b) The Trustee may consult with counsel, and the advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon.

(c) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its gross negligence or willful misconduct.

(d) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(e) None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

(f) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own gross negligence or willful misconduct.

#### **Section 6.04. Property Held in Trust.**

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture will be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

#### **Section 6.05. Trustee Protected in Relying on Certain Documents.**

The Trustee may rely upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel or counsel to the Issuer, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

Whenever the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by an Officer's Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such Officer's Certificate will be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Trustee 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 notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Issuer to the Trustee will be sufficient if executed, in writing, by an Authorized Officer.

The Trustee is not under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any person of notice of the provisions hereof except as expressly required in Section 6.13.

#### **Section 6.06. Compensation.**

Unless otherwise provided by contract with the Trustee, the Issuer will pay to the Trustee from the Tax Increment Revenues or amounts on deposit in the 2013 Clearing Fund or the Administrative Expense Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Bond Registrar and Paying Agent, together with all its reasonable expenses, charges and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by specific agreement. The Issuer, solely from the Tax Increment Revenues or amounts on deposit in any Fund will indemnify and save the Trustee harmless against any expenses and liabilities that the Trustee may incur in the exercise and performance of its powers and duties hereunder that are not due to its gross negligence or willful misconduct. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the Issuer shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.



#### **Section 6.07. Permitted Acts.**

The Trustee and its directors, officers, employees or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Holder of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the Issuer or any committee formed to protect the rights of Holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the Holders of a majority of the Bonds.

#### **Section 6.08. Resignation of Trustee.**

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than thirty (30) days' notice, specifying the date when such resignation shall take effect, to the Issuer and each Holder of any Outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 6.10 and the acceptance of such appointment by such successor.

#### **Section 6.09. Removal of Trustee.**

The Trustee may be removed at any time for any reason by (i) the Holders of a majority of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Holders or by their attorneys-in-fact, duly authorized and delivered to the Issuer, or (ii) so long as no default shall have occurred and be continuing under this Indenture, the Issuer. Copies of each such instrument shall be delivered by the Issuer to the Trustee and any successor thereof. The Trustee also may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Issuer or the Holders of not less than twenty-five percent (25%) of the Bonds.

#### **Section 6.10. Successor Trustee.**

If the Trustee shall resign, be removed, be dissolved or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, including default, a successor Trustee may be appointed by the Issuer with the consent of the Bondholder Representative; provided, that if a successor Trustee is not so appointed within ten (10) days after notice of resignation is mailed or an instrument of removal is delivered as provided under Sections 6.08 and 6.09 hereof, respectively, or within ten (10) days of the Issuer's knowledge of the dissolution of the Trustee, then the Bondholder Representative, by an instrument or concurrent instruments in writing signed by or on behalf of such Holders, delivered personally or sent by registered mail to the Issuer, may designate a successor Trustee. If a default shall have occurred and be continuing hereunder and no Bondholder Representative shall be in place, the Holders of at least twenty-five percent (25%) of the Bonds may appoint a successor Trustee by an instrument or concurrent instruments in writing delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the Issuer.

If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 6.08 or after the occurrence

of any other event requiring or authorizing such appointment, the Trustee, at the Issuer's expense, or any Holder of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor.

Any successor Trustee appointed under the provisions of this Section must be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

Each successor Trustee is required to mail notice of its appointment to the Trustee and each of the Holders of the Bonds.

**Section 6.11. Transfer of Rights and Property to Successor Trustee.**

Any successor Trustee appointed under the provisions of Section 6.10 must execute, acknowledge and deliver to its predecessor and the Issuer an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act must nevertheless, on request of the Issuer or of such successor and after the payment in full of any fees and expenses owed to it, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers and trusts of such Trustee and all the right, title and interest of such Trustee in and to the Trust Estate, and will pay over, assign and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing, on request and so far as may be authorized by law, will be executed, acknowledged and delivered by the Issuer.

**Section 6.12. Merger, Conversion or Consolidation of Trustee.**

Any company into which the Trustee may be merged or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such company shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 6.10.

**Section 6.13. Trustee to File Continuation Statements.**

The Trustee will file or cause to be filed, at the expense of the Issuer, but solely from the Tax Increment Revenues or amounts on deposit in the Revenue Fund or the Administrative Expense Fund, such continuation statements as may be required by the Pennsylvania Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture at the time, place and manner required by the UCC. Notwithstanding anything to the contrary contained herein, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection

of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the UCC, and unless the Trustee shall have been notified in writing by the Issuer that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in relying on such initial filing and descriptions in filing any continuation statements pursuant to this Section 6.13.

**Section 6.14. Construction of Indenture.**

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any reasonable construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Holders of the Bonds.

**Section 6.15. Administrator.**

(a) Appointment. The Issuer has determined to serve as the initial Administrator hereunder. The Administrator undertakes, for the benefit of the Issuer, the Taxing Bodies, the Trustee and the Holders, to perform the duties specified herein and, at such time as a third party serves as Administrator hereunder, in the Administration Agreement, in Section 8 of the Cooperation Agreement, and in Section 2.2 of the Tax Fund Escrow Agreement, but only upon and subject to the terms of this Indenture, the Administration Agreement, the Cooperation Agreement and the Tax Fund Escrow Agreement, to all of which the Holders agree.

(b) Duties of Administrator. The Administrator is required perform the following duties in connection with the 2013 Bonds and this Indenture:

- (i) perform those functions specified in Section 8 of the Cooperation Agreement;
- (ii) prepare an annual report (and any requested interim or intermediate reports) for submission to the Taxing Bodies and the Issuer detailing any and all payments to be made to the Taxing Bodies pursuant to the Cooperation Agreement;
- (iii) perform the calculations required under Section 2.2 of the Tax Fund Escrow Agreement;
- (iv) keep proper books of record and account required by Section 5.03 in which complete and correct entries are to be made of all transactions relating to the Tax Increment Revenues;
- (v) provide such information, including information provided to the Administrator by the Trustee, regarding Tax Increment Revenues, Administrative Expenses, Debt Service payments on the Bonds, the balance on deposit in the Surplus Fund under Section 4.09(a) hereof and balances in Funds held under this Indenture as may be required by the Partnership Guarantor in connection with the Partnership Guaranty;
- (vi) calculate the amount of Administrative Expenses due and provide estimates to the Trustee of the amount of Administrative Expense payments payable during each calendar year; and
- (vii) perform such additional duties as may be specified in this Indenture, the Administration Agreement, the Cooperation Agreement or the Tax Fund Escrow Agreement.

In the event of a failure by the Administrator to comply with any provision of this Section, the Trustee may, and upon the written request of the Holders of at least 25% of the aggregate principal amount of the Outstanding Bonds will, subject to its rights to be indemnified to its satisfaction, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Administrator to comply with its obligations under this Indenture, the Administration Agreement, the Tax Fund Escrow Agreement or the Cooperation Agreement. In addition, the Trustee will provide to any Holder requesting the same, at such Holders expense, copies of all reports received from the Administrator.

(c) Qualification, Resignation, Removal and Appointment of Successor. In the event of the removal, resignation or disqualification of the Administrator, the successor Administrator will, subject to compliance with the Cooperation Agreement, be designated by the Issuer, provided that such entity expressly agrees in writing to perform the duties of the Administrator under this Indenture, and provided further, that if no designation shall be made by the Issuer, the Bondholder Representative shall, at the Issuer's expense, engage a qualified firm to perform the duties of the Administrator hereunder and under the Cooperation Agreement and the Tax Fund Escrow Agreement, and it shall be reimbursed for any expense incurred in engaging such successor, and shall have no liability whatsoever with respect to such engagement, except only for any of its own negligence or willful misconduct. Such successor entity shall serve until the Issuer appoints a successor Administrator. In the event that a successor Administrator shall be appointed by the Issuer, such Administrator shall be a nationally recognized accounting firm or an entity which is otherwise qualified to serve as Administrator hereunder by virtue of having sufficient experience in tax increment financing in the Commonwealth of Pennsylvania.

So long as no Event of Default has occurred or is continuing hereunder, subject to the terms of the Cooperation Agreement, the Issuer may remove the Administrator upon ninety (90) days' written notice to the Administrator or such successor, and as otherwise provided in the applicable Administration Agreement, and shall appoint a successor or successors thereto. The Issuer shall provide prior written notice to the Township and the Trustee of its intention to remove or replace the then-acting Administrator and the identity of any proposed successor or successors thereto. The Township and the Trustee shall have thirty (30) days from the date of such notice to provide the Issuer written comments relating to any intention to remove or replace the Administrator.

The Administrator may resign from its obligations hereunder upon one hundred eighty (180) days' written notice to the Issuer and the Trustee. Any resignation or removal of the Administrator will become effective upon acceptance of that resignation by the Issuer and upon the appointment of a successor. Notwithstanding anything to the contrary herein, upon the occurrence of an Event of Default hereunder the Trustee may, and will (subject to the provisions of Sections 6.02 and 6.03) upon the written direction of the Holders of a majority of the Bonds, remove or replace the entity, then-acting as the Administrator herein and appoint the successor Administrator as directed by the Issuer or Holders, as applicable, thereby.

(d) Certain Rights of Administrator. The Administrator will be afforded the same rights with respect to limitation of responsibilities, liability, notice, compensation and reimbursement given to the Trustee pursuant to Sections 6.02, 6.03 and 6.06.

**Section 6.16. Miscellaneous.** The Trustee shall not grant any consents required under the Cooperation Agreement without the prior written consent of the Bondholder Representative. The Trustee, as a third party beneficiary under the Cooperation Agreement, shall not take any action to enforce the obligations of the Taxing Bodies and the Issuer thereunder without the prior written consent of the Bondholder Representative.

**ARTICLE VII**  
**MODIFICATION OR AMENDMENT OF INDENTURE**

**Section 7.01. Modification or Amendment Without Consent.**

Without notice to or the consent of the Bondholders, the Issuer at any time and from time to time may enter into Supplemental Indentures supplementing, modifying or amending this Indenture or any Supplemental Indenture for one or more of the following purposes:

(a) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Trustee for the benefit of such Holders;

(b) to add to the covenants and agreements of the Issuer contained in this Indenture, other covenants and agreements thereafter to be observed relative to the acquisition, construction, equipping, operation, maintenance, development or administration of the Project or relative to the application, custody, use or disposition of the proceeds of Bonds;

(c) to surrender any right, power or privilege reserved to or conferred upon the Issuer by this Indenture;

(d) to confirm, as further assurance, any pledge under, and the subjection to any lien on, or claim or pledge of (whether created or to be created by this Indenture), the Tax Increment Revenues or any other property pledged hereunder;

(e) to cure any ambiguity or to cure or correct any defect or inconsistent provisions contained in this Indenture or to make such provisions in regard to matters or questions arising under this Indenture as may be necessary or desirable and not contrary to or inconsistent with this Indenture;

(f) to authorize the issuance of Additional Bonds, including (without limitation) any modifications or amendments required to grant to or otherwise secure for the Holders of such Additional Bonds a parity interest in the security granted to the Holders of the 2013 Bonds and any other then Outstanding Bonds in accordance with Section 2.04;

(g) to permit the qualification of this Indenture or any Supplemental Indenture under any federal statute now or hereafter in effect or under any state blue sky law and, in connection therewith, to add to this Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted or required by such federal statute or state blue sky law;

(h) to obtain or to maintain any ratings on any Bonds from any nationally recognized securities rating agency; or

(i) to make any other change in this Indenture which the Trustee determines shall not prejudice in any material respect the rights of the Holders of the Bonds Outstanding at the date as of which such change shall become effective.

Notwithstanding the foregoing, no amendment which, in the opinion of the Issuer: (a) adversely affects the Developer may be made without the Developer's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned; or (b) adversely affects the Bondholder Representative

may be made without the Bondholder Representative's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned.

**Section 7.02. Supplemental Indentures Requiring Consent of Bondholders.**

In addition to Supplemental Indentures permitted by Section 7.01, with the prior written consent of the Holders of a majority of the Bonds, the Issuer at any time and from time to time may enter into Supplemental Indentures amending or supplementing this Indenture, any Supplemental Indenture or any Bond to modify any of the provisions thereof or to release the Issuer from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained, provided that nothing contained herein shall permit (i) a change in any terms of redemption or purchase of any Bond, the due date for the payment of the principal of or interest on any Bond or any reduction in the principal, Redemption Price or Purchase Price of or interest rate on any Bond without the consent of the Holder of such Bond or (ii) a preference or priority of any Bond over any other Bond or a reduction in the percentage of Bonds the consent of the Holders of which is required for any modification of this Indenture, without the unanimous consent of the Holders of all Outstanding Bonds.

Notwithstanding the foregoing, no amendment which, in the opinion of the Issuer, adversely affects the Taxing Bodies may be made without the Taxing Bodies' prior, written consent.

**Section 7.03. Notation on Bonds.**

Bonds authenticated and delivered after the effective date of any Supplemental Indenture may, and if the Trustee or the Issuer so determines, shall, bear a notation by endorsement or otherwise in form approved by the Issuer and the Trustee of such action. If the Issuer or the Trustee shall so determine, new Bonds modified as necessary, in the opinion of the Trustee and the Issuer, to conform to such Supplemental Indenture shall be prepared, authenticated and delivered and, upon demand of the Holder of any Outstanding Bond and surrender of such Bond to the Trustee, such Bond shall be exchanged, without cost to such Holder, for a new Bond.

**ARTICLE VIII  
DEFEASANCE**

**Section 8.01. Defeasance.**

If the Issuer, its successors or assigns, shall pay or cause to be paid unto Holders of the Bonds the principal and interest due and the premium thereon, if any, at times and in the manner stipulated therein, and if the Issuer, its successors and assigns, shall pay or cause to be paid all other sums payable hereunder by the Issuer, then this Indenture and the estate and rights hereby granted shall cease, determine and be void; and thereupon the Trustee, upon Request of the Issuer, shall release, cancel and discharge the lien hereof, shall execute and deliver to the Issuer such instruments as shall be requisite to satisfy such lien, shall reconvey to the Issuer the Trust Estate and title hereby conveyed and shall assign and deliver to the Issuer or such person as may be entitled to receive the same any property which at the time shall be subject to the lien hereof and in possession of the Trustee; but the Trustee shall take such action only upon receipt of an Officer's Certificate and an Opinion of Counsel, each stating, in substance, that, in the opinion of the respective signers, all conditions precedent provided herein relating to such release, cancellation and discharge have been fulfilled. Otherwise this Indenture shall continue in full force and effect.

Bonds for payment or redemption of which funds, in the full amount required therefor, shall have been deposited with the Trustee or shall have been set aside by the Trustee as provided herein, whether upon or prior to maturity or the date fixed for redemption, shall be deemed to be paid within the meaning of this Article VIII; provided, however, that if such Bonds are to be redeemed prior to maturity, notice of such redemption shall have been duly given, or provision satisfactory to the Trustee shall have been made therefor, or waivers of such notice shall have been duly filed by Holders of such Bonds as provided herein.

Bonds also shall be deemed to be paid within the meaning of this Article VIII if the Issuer shall provide for their payment by depositing Defeasance Securities with the Trustee in an amount which, together with interest to be earned thereon, shall be sufficient and available to pay the principal of such Bonds and premiums thereon, if any, and interest thereon when the same shall become due and payable until maturity thereof or until the date fixed for redemption thereof, if said Bonds are to be redeemed prior to maturity; provided, however, that if such Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given, or provision satisfactory to the Trustee shall have been made therefor, or waivers of such notice shall have been filed by Holders of Bonds as provided herein; provided, further, however, that the Trustee shall have received a report from an independent consultant not unsatisfactory to the Trustee and a certification together with supporting mathematical calculations that the principal maturities of the Defeasance Securities together with interest to be earned thereon, shall be sufficient and available to pay the principal of such Bonds and premiums thereon, if any, and interest thereon when the same shall become due and payable until maturity thereof or until the date fixed for redemption thereof.

#### **Section 8.02. Trustee Protected.**

Release, cancellation and discharge hereof, however, shall be without prejudice to the rights of the Trustee to be paid compensation then due hereunder and to be protected and saved harmless by the Issuer from losses, liabilities, costs and expenses, including reasonable counsel fees, at any time incurred by the Trustee hereunder or connected with any Bonds issued hereunder, of and from which, if this Indenture had not been released, canceled and discharged, the Issuer would have been obligated to protect and save harmless the Trustee; and the Issuer covenants to protect and save harmless the Trustee of and from such losses, liabilities, costs and expenses.

#### **Section 8.03. Escheat.**

Anything in this Indenture to the contrary notwithstanding, at the Request of the Issuer, any moneys held by the Trustee in trust for the payment of any of the Bonds which remain unclaimed for four years after the later of the date at which such Bonds became due and payable and the date of deposit of such moneys will be repaid by the Trustee to the Issuer, or to such officer, board or body as may then be entitled by law to receive such moneys, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto. In the absence of any such Request from the Issuer, the Trustee shall from time to time deliver such unclaimed funds to or as directed by pertinent escheat authority, as identified by the Trustee in its sole discretion, pursuant to and in accordance with applicable unclaimed property laws, rules or regulations. Any such delivery shall be in accordance with the customary practices and procedures of the Trustee and the escheat authority. Any money held by the Trustee pursuant to this subsection shall be held uninvested and without any liability for interest.

## **ARTICLE IX DEFAULT AND REMEDIES**

### **Section 9.01. Events of Default.**

If any one or more of the following events occur, it hereby is defined as and declared to be and to constitute an “**Event of Default**”:

(a) the failure to pay the principal of, redemption premium, Purchase Price, if any, or interest on the Bonds when due, or

(b) a default in the observance or performance of any other covenant, condition or agreement on the part of the Issuer under this Indenture or in the Bonds; provided, however, that no breach of a covenant, condition or agreement will constitute an Event of Default until actual written notice of the default is given to the Issuer by the Trustee or by the Holders of not less than twenty-five percent (25%) in aggregate principal amount of all Outstanding Bonds, and the Issuer has had (i) 30 days after receipt of the notice with respect to any default in the payment of money (other than the failure to pay the principal of, redemption premium, if any, Purchase Price or interest on the Bonds when due for which there is no grace period) or (ii) 90 days after receipt of the notice of any other default to correct the default or to cause the default to be corrected; and provided further, that if the breach cannot be corrected within the applicable period, it will not constitute an Event of Default if corrective action is instituted by the Issuer within the applicable period and diligently pursued until the default is corrected; or

(c) appointment by a court of competent jurisdiction of a receiver for all or any substantial part of the Trust Estate and other funds of the Issuer pledged pursuant to this Indenture, or the filing by the Issuer of any petition for reorganization of the Issuer or rearrangement or readjustment of the obligations of the Issuer under provisions of any applicable bankruptcy or insolvency law; or

(d) an event of default under the Partnership Guaranty or the Individual Guarantys.

The Trustee shall give written notice of any Event of Default to the Issuer, the Administrator, the Taxing Bodies, the Developer, the Bondholders and, so long as the 2013 Bonds remain Outstanding, the Partnership Guarantor, as promptly as practicable after the occurrence of an Event of Default of which the Trustee has notice. Except for an Event of Default under subsection (a) above, the Trustee shall not be deemed to know of any Event of Default unless it has received written notice thereof.

Upon the occurrence of an Event of Default, interest on all Outstanding 2013 Bonds shall be calculated at the Default Interest Rate as described under Section 2.02(f).

### **Section 9.02. No Acceleration.**

If an Event of Default has occurred and is continuing, the Trustee shall not, whether in the exercise of its own discretion or upon the request of the Owners of the Bonds then Outstanding, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable.

### **Section 9.03. Surrender of Possession of Trust Estate; Rights and Duties of Trustee in Possession.**

If an Event of Default has occurred and is continuing, the Issuer, upon demand of the Trustee, shall forthwith surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers and accounts of the Issuer pertaining thereto, and out of the same and any moneys received from any



receiver of any part thereof pay and set up proper reserves for the payment of all proper costs and expenses of so taking, holding and managing the same, including, but not limited to, (i) reasonable compensation to the Trustee, its agents and counsel, and (ii) any reasonable fees and charges of the Trustee hereunder, and the Trustee shall apply the remainder of the moneys so received in accordance with Section 9.08.

Whenever all that is due upon the Bonds has been paid and all defaults made good, the Trustee shall surrender possession of the Trust Estate to the Issuer, its successors or assigns, the same right of entry, however, to exist upon any subsequent Event of Default.

While in possession of the Trust Estate, the Trustee shall render annually to the Issuer a summarized statement of receipts and expenditures in connection therewith.

**Section 9.04. Appointment of Receivers in Event of Default.**

If an Event of Default has occurred and is continuing, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Indenture, the Trustee will be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment may confer.

**Section 9.05. Exercise of Remedies by the Trustee.**

If an Event of Default has occurred and is continuing, the Trustee may pursue any available remedy at law or equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of and interest on the Bonds then Outstanding, and to enforce and compel the performance of the duties and obligations of the Issuer as herein set forth.

If an Event of Default has occurred and is continuing, and if requested in writing to do so by the Owners of not less than twenty five percent (25%) in aggregate principal amount of the Bonds then Outstanding (but only with the written consent of the Bondholder Representative) and indemnified as provided in Section 6.02, the Trustee will be obligated to exercise such one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, deems most expedient in the interests of the Owners; provided, however, that the Trustee shall not be required to take any action which in its good faith conclusion could result in personal liability to it.

All rights of action under this Indenture 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 will be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owner, and any recovery or judgment will, subject to Section 9.03 and Section 9.08, be for the equal benefit of all the Owners of the Outstanding Bonds.

Notwithstanding the forgoing, if an Event of Default shall have occurred and be continuing, the Bondholder Representative, as evidenced by written notice delivered to the Trustee which shall set forth with specificity the expected duties and responsibilities of the Trustee and upon delivery of such indemnification as the Trustee shall require pursuant to Section 6.02, may, in lieu of the Trustee, exercise such one or more of rights and powers conferred on the Trustee hereunder, rights and powers granted to the Issuer and rights of the Bondholders, either by a suit or suits in equity or in law for the enforcement of any appropriate equitable or legal remedy that the Bondholder Representative shall deem most expedient in the interests of the Owners.

**Section 9.06. Limitation on Exercise of Remedies by Owners.**

Except as provided in Section 9.05, no Owner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless:

- (i) an Event of Default has occurred, and
- (ii) the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding have made a written request to the Trustee, have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and have provided to the Trustee indemnity as provided in Section 6.02, and
- (iii) the Trustee thereafter fails or refuses to exercise the powers herein granted or to institute such action, suit or proceeding in its own name;

and such notification, request and indemnity hereby are declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owners shall have any right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that 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 Owners of all Bonds then Outstanding. Nothing in this Indenture, however, shall affect or impair the right of any Owner to payment of the principal of and interest on any Bond at and after its maturity or the obligation of the Issuer to pay the principal of and interest on each of the Bonds to the respective Owners thereof at the time, place, from the source and in the manner herein and in such Bond expressed.

**Section 9.07. Right of Owners to Direct Proceedings.**

Any other provision herein to the contrary notwithstanding, the Holders of a majority of the Bonds will have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of this Indenture, or for the appointment of a receiver or any other proceedings hereunder, provided that such direction will not be otherwise than in accordance with the provisions of law and of this Indenture, and provided, further, that the Trustee will have the right to decline to follow any such direction if the Trustee in good faith determines that the proceeding so directed would involve it in personal liability or the Trustee has not been indemnified as provided in Section 6.02.

**Section 9.08. Application of Moneys in Event of Default.**

Upon an Event of Default, all moneys held or received by the Trustee pursuant to this Indenture, the Cooperation Agreement and the Tax Fund Escrow Agreement pursuant to any right given or action taken under this Article will, after payment of the Trustee's outstanding fees and expenses, if any, and of the reasonable fees, costs, advances and expenses of the Trustee and the proceedings resulting in the collection of such moneys (including without limitation reasonable attorneys' fees and expenses), be deposited in the Debt Service Fund. All moneys in the Debt Service Fund, the Debt Service Reserve Fund, the Project Fund, the Surplus Fund and the Revenue Fund will be applied as follows:

- First: To the payment to the Owners entitled thereto of all installments of interest then due and payable on the Bonds, in the order in which such installments of interest became due and payable, with interest thereon at the rate or rates specified in the respective Bonds to the extent permitted by law, and, if the amount available is not sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege.
- Second: To the payment to the Owners entitled thereto of the unpaid principal of any of the Bonds that have become due and payable (other than Bonds called for redemption for the payment of which moneys or securities are held pursuant to this Indenture), in the order of their due dates, and, if the amount available is not sufficient to pay in full such principal due on any particular date, then to the payment ratably, according to the amounts of principal due on such date, to the persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied pursuant to 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 available and which may become available for such application in the future.

Whenever (i) all of the unpaid principal of the Bonds and interest thereon, including the Redemption Price or Purchase Price, (ii) all fees, expenses and charges of the Trustee and (iii) any other amounts required to be paid under this Indenture have been paid, any balance remaining in the Funds created pursuant to this Indenture shall be paid to the Taxing Bodies, pursuant to the Request of the Issuer.

**Section 9.09. Remedies Cumulative.**

No remedy conferred by this Indenture upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy, but each and every such remedy will be cumulative and will be in addition to any other remedy given to the Trustee or to the Owners hereunder or now or hereafter existing at law or in equity or by statute.

**Section 9.10. Delay or Omission Not Waiver.**

No delay or omission to exercise any right, power or remedy accruing upon any Event of Default will impair any such right, power or remedy or will be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient.

**Section 9.11. Effect of Discontinuance of Proceedings.**

If the Trustee has proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely, then the Issuer, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee will continue as if no such proceedings had been taken.

### **Section 9.12. Waivers of Events of Default.**

The Trustee will waive any Event of Default and its consequences upon the written request of the Holders of a majority of the Bonds, except a default (a) in the payment of the principal of (or premium, if any) or interest on any Bond; or (b) in respect of a covenant or provision hereof which under Article VII cannot be modified or amended without the consent of the Owner of each Outstanding Bond affected, which will only be waived by the Trustee upon the written request of all of the Holders of the Bonds.

In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default has been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Owners will be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission will extend to any subsequent or other default, or impair any right consequent thereon.

## **ARTICLE X MISCELLANEOUS**

### **Section 10.01. Liability of Issuer.**

Notwithstanding anything to the contrary contained in this Indenture, the Issuer will not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The Issuer will not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or Event of Default thereunder.

No provision of the Bond Documents will require the Issuer to expend or risk its own general funds, the obligations and liabilities of the Issuer hereunder being payable solely from the Trust Estate, including the Tax Increment Revenues and other property pledged hereunder.

Neither the Holders nor any other person shall have any claim against the Issuer or any officer, official, directors, attorney, agent or employee of the Issuer, past, present or future (or any of their respective heirs, personal representatives or successors), under or arising from or out of any of the Bond Documents or under any constitutional provisions, statute or rule of law or by the enforcement of any assessment or penalty or otherwise for costs, fees, penalties, taxes, interest, commissions, charges, insurance and other payments of any kind, nature or description or for any damages of any type, nature, or description, including consequential damages suffered as a result of the Issuer's failure to perform in any respect any covenant, undertaking or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents. Notwithstanding the foregoing, however, the Developer may make a claim against the Issuer only, and only to the extent that (i) such claim is properly payable by the Issuer pursuant to the Acts, and (ii) is made in accordance with the Bond Documents; provided that any such claim shall be strictly limited to, and payable only from, the Trust Estate, including Tax Increment Revenues, and/or the proceeds of the Bonds that may be made available for such purposes under the Acts, and to no other assets of the Issuer. There shall be no other recourse against the Issuer. Any judgment entered against the Issuer in connection herewith, including in connection with this Indenture, the Bonds, the Bond Documents, or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, by any means (including by judicial process), shall be strictly limited to, and noted as, a lien against the Trust Estate, including the Tax Increment Revenues, and/or the proceeds of the Bonds that may be made available for such purposes under the Acts, and shall not affect any other property or assets of the Issuer.

THE BONDS AND BOND DOCUMENTS ARE NOT OBLIGATIONS OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, NOR SHALL SAID COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, BE LIABLE FOR PAYMENT OF PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUER'S LIABILITY IS STRICTLY LIMITED AS SET FORTH IN HEREIN.

THE OBLIGATIONS OF THE ISSUER HEREUNDER OR UNDER ANY OF THE BOND DOCUMENTS DO NOT PLEDGE THE GENERAL CREDIT OR TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA, THE COUNTY OF MONROE, OR ANY OTHER POLITICAL SUBDIVISION. THE ISSUER HAS NO TAXING POWER.

In order to perform its duties and obligations hereunder, the Issuer may employ such agents as it deems necessary or advisable.

**Section 10.02. Benefits of Indenture Limited to Parties.**

Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Issuer, the Trustee, the Developer and the Holders any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Holders, the Developer and the Trustee.

The Issuer and the Trustee may deem and treat the person in whose name a Bond is registered as the absolute owner thereof (whether or not the Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer or the Trustee) for the purpose of receiving payment of or on account of the principal or Redemption Price of the Bond, and for all other purposes except as otherwise provided herein with respect to the payment of interest on the Bond, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. All such payments so made to any such Registered Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable under the Bond.

**Section 10.03. Execution of Documents and Proof of Ownership of Bonds.**

Any request, declaration or other instrument which this Indenture may require or permit to be executed by Holders may be in one or more instruments of similar tenor, and shall be executed by Holders in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Holder or any Holder's attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which such Holder or attorney purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to such officer the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such officer.

Except as otherwise herein expressly provided, the ownership of Bonds and the amount, maturity, number and date of holding the Bonds will be established by the Bond Register.

Any request, declaration or other instrument or writing of the Holder of any Bond will bind all future Holders of such Bond in respect of anything done or suffered to be done by the Issuer or the Trustee in good faith and in accordance therewith.

**Section 10.04. Moneys and Funds Held for Particular Bonds.**

Amounts held by the Trustee for the payment of the principal or Redemption Price or Purchase Price of and interest on Bonds due on any date will be set aside and held in trust by it solely for the Holders of such Bonds pending such payment and will not be available to pay the principal or Redemption Price or Purchase Price of or interest on any other Bonds.

**Section 10.05. Waiver of Personal Liability.**

No personal recourse shall be had for any claim based upon this Indenture or any of the Bond Documents or under any constitutional provisions, statute or rule of law or by the enforcement of any assessment or penalty or otherwise including any claim for the payment of principal of, or interest on or any premium on, the Bonds against any officer, official, director, attorney, agent or employee of the Issuer, past present or future (or any of their respective heirs, personal representatives or successors); but nothing herein contained will relieve any such officer, official, agent or employee from the performance of any official duty provided by law.

**Section 10.06. Notices to and Demands.**

Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be emailed, telexed, cabled, delivered by hand or mailed by first class mail, postage prepaid, and addressed as follows:

If to the Issuer:

Monroe County Industrial Development Authority  
300 Community Drive, Suite D  
Tobyhanna, PA 18466  
Attention: Executive Director  
Phone: 570.839.1992  
Fax: 570.350.7784  
Email: *cleonard@pmedc.com*

If to the Trustee:

Manufacturers and Traders Trust Company  
PA Corporate Trust Services  
Mail Code: PA1-HM22  
213 Market Street, 2nd Floor  
Harrisburg, PA 17101  
Telephone: 717.255.2135  
Fax: 717.231.2615  
Email: *dhaverstick@WilmingtonTrust.com*

If to the Developer:

CBK Lodge LP  
c/o Aquatic Development Group  
13 Green Mountain Drive  
Cohoes, NY 12047  
Attention: Kenneth L. Ellis  
Telephone: 518.783.0038, ext. 229  
Fax: 518.783.0474  
Email: *kene@aquaticgroup.com*

With a copy to:

Ralph W. Bandel, Esquire  
13 Green Mountain Drive  
Cohoes, NY 12047  
Telephone: 518.783.0038, ext. 236  
Fax: 518.783.0474  
Email: *ralphb@aquaticgroup.com*

If to the Partnership Guarantor:

CBH2O LP  
1 Camelback Road  
Tannersville, PA 18372  
Attention: Arthur B. Berry, III  
Telephone: 570.460.6047  
Fax: 570.620.0942  
Email: *aberry@skicamelback.com*

If to the Administrator:

Monroe County Industrial Development  
Authority  
Pocono Mountains Corporate Center East  
300 Community Drive, Suite D  
Tobyhanna, PA 18466  
Phone: 570.839.1992  
Fax: 570.350.7784  
Email: *cleonard@pmedc.com*

If to the initial Bondholder Representative:

ORIX USA Corporation  
1717 Main St. 11th F.  
Dallas TX 75201  
Attention: John Dinan  
Phone: 214.237.2224  
Fax: 214.237.2018  
Email: *john.dinan@orix.com*

Any such notice, demand or request also may be transmitted to the appropriate party by telephone or other electronic transmission and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change.

**Section 10.07. Electronic Communication.**

The Trustee shall have the right to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that the instructions or directions shall be signed by a person as may be designated and authorized to sign for the Issuer or in the name of the Issuer, by an Authorized Officer, who shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's reasonable understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instructions. The Issuer agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

**Section 10.08. Partial Invalidity.**

If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Issuer hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

**Section 10.09. Applicable Law.**

This Indenture will be governed by and enforced in accordance with the laws of the Commonwealth of Pennsylvania applicable to contracts made and performed in the Commonwealth of Pennsylvania.

**Section 10.10. Conflict with Act.**

In the event of a conflict between any provision of this Indenture with any provision of the Acts as in effect on the date hereof, the provision of the Acts will prevail over the conflicting provision of this Indenture.

**Section 10.11. Payment or Performance on Business Days.**

Except as otherwise expressly provided herein, if any date specified herein for the payment of any Bond or the performance of any act is not a Business Day, such payment or performance will be made on the next succeeding Business Day with the same effect as if made on such date.



**Section 10.12. Intention as to Seal and Contract.**

It is intended that this Indenture, when signed on behalf of the Issuer and the Trustee and duly delivered between them, will constitute a contractual obligation under seal under the laws of the Commonwealth of Pennsylvania with force and effect as an agreement and Trust Indenture.

**Section 10.13. Effective Date.**

This Indenture shall be effective as of the Date of Issue.

**Section 10.14. Counterparts.**

This Indenture may be executed in counterparts, each of which will be deemed an original.

*[The Remainder of this Page Left Blank Intentionally]*

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Trust Indenture to be executed.

Attest:

MONROE COUNTY INDUSTRIAL  
DEVELOPMENT AUTHORITY, as Issuer

\_\_\_\_\_  
(Assistant) Secretary

By: \_\_\_\_\_  
(Vice) Chairman

[SEAL]

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

By:  \_\_\_\_\_  
Authorized Officer

[SEAL]

CONSENTED TO AND JOINED IN by Monroe County Industrial Development Authority in its capacity as the initial Administrator.

Attest:

MONROE COUNTY INDUSTRIAL  
DEVELOPMENT AUTHORITY, as  
Administrator

\_\_\_\_\_  
(Assistant) Secretary

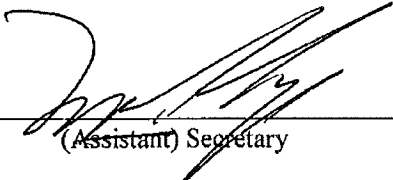
By: \_\_\_\_\_  
(Vice) Chairman

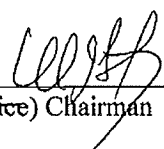
[SEAL]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Trust Indenture to be executed.

Attest:

MONROE COUNTY INDUSTRIAL  
DEVELOPMENT AUTHORITY, as Issuer

  
\_\_\_\_\_  
(Assistant) Secretary

By:   
\_\_\_\_\_  
(Vice) Chairman

[SEAL]

MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee

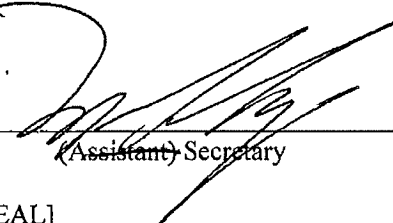
By: \_\_\_\_\_  
Authorized Officer

[SEAL]

CONSENTED TO AND JOINED IN by Monroe County Industrial Development Authority in its capacity as the initial Administrator.

Attest:

MONROE COUNTY INDUSTRIAL  
DEVELOPMENT AUTHORITY, as  
Administrator

  
\_\_\_\_\_  
(Assistant) Secretary

By:   
\_\_\_\_\_  
(Vice) Chairman

[SEAL]

**APPENDIX A**

FORM OF 2013 BOND

No. R-\_\_\_\_

\$13,821,000

**THIS BOND (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND THIS BOND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. THE INDENTURE REFERRED TO BELOW CONTAINS CERTAIN CONDITIONS APPLICABLE TO ANY TRANSFER OF THIS BOND OCCURRING ON OR BEFORE THE LATER OF THE THIRD ANNIVERSARY OF THE ISSUE DATE OF THIS BOND AND THE ISSUANCE OF THE CERTIFICATE OF OCCUPANCY FOR HOTEL COMPONENT OF THE DEVELOPMENT, AS SUCH TERMS ARE DEFINED IN THE INDENTURE IDENTIFIED IN THIS BOND.**

*[Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Trustee or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]*

**UNITED STATES OF AMERICA  
MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
Monroe County, Pennsylvania  
TAX INCREMENT FINANCING REVENUE BOND  
(CAMELBACK POCONO TOWNSHIP PROJECT)  
SERIES OF 2013  
(FEDERALLY TAXABLE)**

**Interest Rate  
8.950%**

**Maturity Date  
December 1, 2033**

**Date of Issue  
December 12, 2013**

**CUSIP**

**Registered Owner:      ORIX Public Finance, LLC**

**Principal Sum:            THIRTEEN MILLION EIGHT HUNDRED TWENTY-ONE THOUSAND  
AND 00/100 DOLLARS (\$13,821,000)**

**MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**, a body politic and corporate of the Commonwealth of Pennsylvania (the “**Issuer**”), for value received, hereby promises to pay, but only from the Trust Estate, including the Tax Increment Revenues and other amounts pledged to

such payment under the Indenture, to the Registered Owner of this Tax Increment Financing Revenue Bond (Camelback Pocono Township Project), Series of 2013 (Federally Taxable) shown above or registered assigns or legal representative, upon the presentation and surrender hereof at the designated office of the Trustee, the Principal Amount shown above on the Maturity Date shown above (unless this Bond shall be redeemable and duly shall have been called for previous redemption and payment of the redemption price shall have been made or provided for), with interest thereon from the December 1 or June 1 which immediately precedes the date this Bond was authenticated unless (i) such date of authentication is an Interest Payment Date, in which case interest will accrue from said Interest Payment Date, (ii) such date of authentication is on or prior to June 1, 2014, in which case interest will accrue from the Date of Issue, (iii) such date of authentication is after a Regular Record Date but before the next succeeding Interest Payment Date, in which case such Bond will bear interest from such succeeding Interest Payment Date, or (iv) interest on the Bond is in default, in which case interest will accrue from the date on which interest on the Bond was last provided for or paid (but not prior to the Date of Issue in the event that no interest has been paid or provided for).

All interest due on this Bond will be payable to the person in whose name this Bond is registered on the bond registration books maintained by Manufacturers and Traders Trust Company, Harrisburg, Pennsylvania, as Trustee and Bond Registrar (such entity and any successor in such capacity being referred to herein as the “**Trustee**”), as of the close of business fifteen (15) days (whether or not a Business Day) immediately preceding the Interest Payment Date upon which such interest is due and payable (the “**Regular Record Date**”), and will be made by check mailed on the applicable Interest Payment Date to the address of such owner as it appears on the bond registration books (or by wire transfer subject to the requirements of the Indenture) maintained by the Trustee; provided, that if there is a default in the payment of interest due hereon, such Defaulted Interest will instead be payable to the person in whose name this Bond is registered as of the close of business on a Special Record Date fixed by the Trustee in accordance with the provisions of the Indenture.

The principal or Redemption Price of and interest on this Bond are payable in lawful money of the United States of America or by check payable in such money and such principal and Redemption Price, if any, will be payable at the designated office of the Trustee, or its successor Trustee, or at the office of any alternate Paying Agent, if any, named in this Bond upon presentation and surrender hereof for appropriate notations with respect to such payments and any unrecorded prior payments upon the Payment Record attached hereto and made part hereof.

If the registered owner of this Bond is The Depository Trust Company (“**DTC**”) or its nominee, CEDE & CO., all payments of principal and interest on this Bond shall be payable in the manner and at the respective time of payment provided for in the Letter of Representations (the “**Letter of Representations**”).

This Bond is issuable only in the form of a fully registered bond, without coupons, in the denomination of \$100,000 or any integral multiple of \$1,000 in excess thereof (herein an “**Authorized Denomination**”).

If any payment of the principal or Redemption Price of or interest on this Bond shall be due on a day other than a Business Day, such payment shall be made on the next Business Day with like effect as if made on the originally scheduled date.

As provided in the TIF Act, this Bond is a special limited obligation of the Issuer payable from the special funds created by the TIF Act and the Indenture and does not constitute a general obligation debt of the County of Monroe, Township of Pocono or Pocono Mountain School District or pledge of the full faith and credit or taxing power of any of them.

Indenture. This Bond is one of a duly authorized series of bonds of the Issuer designated as “Monroe County Industrial Development Authority, Tax Increment Financing Revenue Bonds (Camelback Pocono Township Project), Series of 2013 (Federally Taxable)” (the “**Series of 2013 Bonds**”), aggregating Thirteen Million Eight Hundred twenty-one Thousand and 00/100 Dollars (\$13,821,000) in principal amount, dated as of the Date of Issue, and duly issued under and pursuant to (i) the Economic Development Financing Law and the Tax Increment Financing Act, as amended (the “**TIF Act**”), (ii) certain proceedings of the Issuer, including a Resolution adopted by the Issuer on November 15, 2013 (the “**Resolution**”), and (iii) the Trust Indenture, dated for convenience as of December 1, 2013 (the “**Indenture**”), by and between the Issuer and the Trustee. The terms of the Series of 2013 Bonds include those stated in the Indenture, and the Series of 2013 Bonds are subject to all such terms. Capitalized terms used herein and not otherwise defined have the meanings set forth in the Indenture. Reference is made hereby to the Indenture for a description of the funds, revenues and property pledged thereunder, the nature and extent of the security created or to be created, and the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Trustee and the Holders of the Series of 2013 Bonds. By the acceptance of this Bond, the Holder hereof assents to all of the provisions of the Indenture. Executed copies of the Indenture are on file at the designated office of the Trustee and at the office of the Issuer in Tobyhanna, Pennsylvania.

Tax Increment Revenues. In the Indenture, the Issuer has covenanted to pay the principal of, interest and premium on, the Series of 2013 Bonds solely from the Trust Estate, including the Tax Increment Revenues and other amounts pledged therefor under and in accordance with the Indenture.

Partnership Guaranty. CBH2O, LP, a Pennsylvania limited partnership (the “**Guarantor**”) has executed a Partnership Guaranty with the Issuer and the Trustee whereby the Guarantor has, among other things, guaranteed the payment of the principal of and interest on this Bond, when due.

The Series of 2013 Bonds. All of the Series of 2013 Bonds are of like tenor except as to number and principal amount.

Additional Bonds. The Indenture provides that Additional Bonds may be issued within the limitations and provisions of the Indenture. Any Additional Bonds shall be secured and subject to the limitations and provisions of the Indenture and any Supplemental Indenture.

Redemption.

The Series of 2013 Bonds at the time Outstanding may be redeemed prior to maturity in the manner, at the times and in the amounts provided by the Indenture.

The Trustee will give notice by first class mail of any redemption of the Series of 2013 Bonds at least twenty (20) days before the redemption date to the Registered Owners of the Series of 2013 Bonds to be redeemed. The failure so to give any such notice to any of such Registered Owners shall not affect the validity of the proceedings for the redemption.

If DTC or its nominee, CEDE & CO., is the registered owner of the Series of 2013 Bonds in accordance with Section 2.02(j) of the Indenture and if all or less than all of the Series of 2013 Bonds are to be redeemed, the Trustee shall notify DTC within the time periods described in the Letter of Representations. If less than all of the Series of 2013 Bonds are to be redeemed, the Series of 2013 Bonds to be redeemed shall be selected by lot by DTC. In the event DTC or its nominee, CEDE & CO., is not the registered owner of the Series of 2013 Bonds, then the selection by lot of the Series of 2013 Bonds to be redeemed shall be made by the Trustee.

On the date designated for redemption, notice having been given as provided herein and any conditions to such redemption having been satisfied, the Series of 2013 Bonds or portions of Series of 2013 Bonds so called for redemption shall become and be due and payable at the Redemption Price provided for redemption of such Series of 2013 Bonds or such portions thereof on such date and, if moneys for the payment of the Redemption Price and accrued interest are held by the Trustee as provided in the Indenture, interest on such Series of 2013 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series of 2013 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture, and the Registered Owners thereof shall have no rights in respect of such Series of 2013 Bonds or such portions thereof so called for redemption except to receive payment of the Redemption Price thereof and the accrued interest thereon so held by the Trustee. If a portion of this Bond shall be called for redemption, upon the presentation and surrender hereof to the Trustee for payment of the principal amount so called for redemption, the Trustee shall make a notation on the Payment Record attached to and made a part hereof to show the amount of principal so redeemed and the principal amount that remains Outstanding.

Optional Tender. This Bond is subject to tender at the option of the Holder hereof at the purchase price and in the manner provided by the Indenture.

The Holders will provide written notice to the Issuer, the Trustee, the Developer and the Guarantor of the Business Day selected as the tender date by the Holder, which tender date shall be at least ninety (90) days prior to date the notice is received by the Trustee and the Guarantor. Any election of the Holder to tender the Series of 2013 Bonds for purchase shall be irrevocable and shall be binding on the Holder making such election.

Default Interest Rate. Upon the occurrence of any Event of Default under the Indenture, interest shall be due and payable on the outstanding principal amount of this Bond at the Default Interest Rate of 12% per annum calculated from the date of the occurrence of the Event of Default.

Defeasance. The Indenture prescribes the manner in which it may be discharged and provides that Bonds shall be deemed to be paid if moneys or certain Defeasance Securities, the principal of and interest on which, when due, will be sufficient to pay the principal or redemption price of and interest on such Bonds to the date of maturity or redemption thereof, shall have been deposited with the Trustee.

Persons Deemed Owners Restrictions upon Actions by Individual Holders. The Issuer and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof (whether or not this Bond shall be overdue and notwithstanding any notation of ownership or other writing hereon made by anyone other than the Issuer or the Trustee) for the purpose of receiving payment of or on account of the principal or Redemption Price of this Bond, and for all other purposes except as otherwise provided herein with respect to the payment of interest on this Bond, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. All such payments so made to any such Registered Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable under this Bond.

The Registered Owner of this Bond will have no right to enforce the provisions of the Indenture, or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Transfer and Exchange. This Bond may be exchanged for an equal aggregate principal amount of Series of 2013 Bonds, of other Authorized Denominations, and the transfer of this Bond may be

registered, upon presentation and surrender of this Bond at the designated office of the Trustee, together with an assignment duly executed by the Registered Owner hereof or such owner's attorney or legal representative and a duly executed investor letter substantially in the form attached to the Indenture. The Issuer and the Trustee may require the person requesting any such exchange or transfer to reimburse them for any tax or other governmental charge payable in connection therewith. The Trustee will not be required to register the transfer or exchange of any Bond (i) during a period beginning at the opening of business fifteen days before the day of the mailing of notice of redemption of the Series of 2013 Bonds and ending at the close of business on the day of such mailing, (ii) at any time following the selection of such Bond, in whole or in part, for redemption, or (iii) during the period commencing on a Record Date and ending on the corresponding Interest Payment Date.

Modifications. Modifications or alterations of the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

Negotiability. As declared by the TIF Act, this Bond will be and be deemed to be for all purposes a negotiable instrument subject only to the provisions for registration and registration of transfer stated herein.

Governing Law. This bond will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

Notices. Except as otherwise provided in the Indenture and this Bond, when the Trustee is required to give notice to the owner of this Bond, such notice shall be mailed by first class mail to the Registered Owner of this Bond at such owner's address as it appears on the registration books maintained by the Trustee. Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by the addressee.

CUSIP. The Issuer, pursuant to recommendations made by the Committee on Uniform Security Identification Procedures, has caused CUSIP numbers to be printed on the Series of 2013 Bonds, and has directed the Trustee to use such numbers in notices of redemption and other notices, if any, as a convenience to the registered owners of the Series of 2013 Bonds. No representation is made by the Issuer or the Trustee as to the accuracy of such numbers either as printed on the Series of 2013 Bonds or as contained in any notice, and reliance may be placed only on the identification number printed hereon.

THE SERIES OF 2013 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE PRINCIPAL OF THE SERIES OF 2013 BONDS, NOR THE INTEREST ACCRUING THEREON, SHALL EVER CONSTITUTE A GENERAL INDEBTEDNESS OF THE ISSUER OR AN INDEBTEDNESS OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER OR SHALL EVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, NOR WILL THE SERIES OF 2013 BONDS BE, OR BE DEEMED TO BE, AN OBLIGATION OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF. THE ISSUER HAS NO TAXING POWER.

All acts, conditions and things required by the Constitution and laws of the Commonwealth of Pennsylvania and the rules and regulations of the Issuer to happen, exist and be performed precedent to and in the issuance of this Bond and the execution and delivery of the Indenture have happened, exist and have been performed as so required.



No personal recourse shall be had for any claim based upon the Bond Documents including any claim for the payment of principal of, or interest or any premium on, the Series of 2013 Bonds, against any officer, official, director, attorney, agent or employee of the Issuer, past present or future (or any of their respective heirs, personal representatives or successors) or any person executing this Bond under any constitutional provisions, statute or rule of law or by the enforcement of any assessment or penalty or otherwise; but nothing herein contained will relieve any such officer, official, agent or employee from the performance of any official duty provided by law, all such liability, if any, being expressly waived and released by the Registered Owner of this Bond by the acceptance of this Bond. Without limiting the foregoing, by the acceptance of this Bond, the Registered Owner agrees that this Bond is expressly subject to the provisions of Sections 10.01 and 10.05 of the Indenture which detail the limits of liability of the Issuer and its officers, directors, employees, attorneys and agents.

This Bond will not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the certificate of authentication endorsed hereon.

**IN WITNESS WHEREOF**, the Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of its Chairman or Vice Chairman and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Issuer; all as of December 12, 2013.

Attest:

**MONROE COUNTY INDUSTRIAL  
DEVELOPMENT AUTHORITY**

\_\_\_\_\_  
(Assistant) Secretary

By: \_\_\_\_\_  
(Vice) Chairman

[SEAL]

\_\_\_\_\_  
**CERTIFICATE OF AUTHENTICATION**

It is certified that this Bond is one of the Bonds of the Series designated herein and issued under the provisions of the within-mentioned Indenture.

**MANUFACTURERS AND TRADERS  
TRUST COMPANY**, as Trustee and Bond  
Registrar

\_\_\_\_\_  
Authorized Signatory

Date of Authentication: \_\_\_\_\_

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
(Please type or print name, address (including postal zip code) and Social Security or other identification number of the transferee)

\_\_\_\_\_  
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_ his/her attorney to transfer said Bond on the books of the transfer agent with full power of substitution in the premises.

Dated: \_\_\_\_\_

Notice: The signature on this Assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature guarantee:

\_\_\_\_\_  
(Type or Print Name)

\_\_\_\_\_  
(Signature)

NOTICE: Signature must be guaranteed by an approved, eligible guarantor institution, an institution which is a participant in a recognized Signature Guarantee Medallion Program.

ABBREVIATIONS

When used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with  
right of survivorship and not  
as tenants in common

UNIF GIFT MIN ACT -

\_\_\_\_\_(Custodian)

\_\_\_\_\_(Minor)

under Uniform Gifts to Minors Act

\_\_\_\_\_(State)

Additional abbreviations also may be used though not in list above.

## PAYMENT RECORD

[illegible]

**APPENDIX B**

**FORM OF REQUISITION FOR PAYMENT FROM PROJECT FUND**

Monroe County Industrial Development Authority  
Tax Increment Financing Revenue Bonds (Camelback Pocono Township Project), Series of 2013

**REQUISITION FOR PAYMENT FROM PROJECT FUND**

TO: MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE (THE “**TRUSTEE**”) UNDER THE TRUST INDENTURE DATED AS OF DECEMBER 1, 2013 (THE “**INDENTURE**”), BETWEEN MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY (THE “**ISSUER**”) AND THE TRUSTEE.

This requisition for payment is delivered to the Trustee in accordance with Section 4.04(a) of the Indenture. Payment shall be made from the Project Fund established in accordance with Section 4.01 of the Indenture. All terms used herein which are not otherwise defined herein shall have the meanings given such terms in the Indenture.

- (1) Requisition for Payment No.: \_\_\_\_\_
- (2) Amount of disbursement from the Project Fund: \$ \_\_\_\_\_
- (3) Payment Instructions: Payments shall be made by the Trustee in accordance with Schedule I attached hereto.

MONROE COUNTY INDUSTRIAL  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Authorized Officer

Date: \_\_\_\_\_

Approved this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
As Consulting Engineers

By: \_\_\_\_\_  
Authorized Signatory

Approved this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
As Bondholder Representative

By: \_\_\_\_\_  
Authorized Signatory

**APPENDIX C**

**FORM OF REQUISITION FOR PAYMENT FROM 2013 CLEARING FUND**

Monroe County Industrial Development Authority  
Tax Increment Financing Revenue Bonds (Camelback Pocono Township Project), Series of 2013

**REQUISITION FOR PAYMENT FROM 2013 CLEARING FUND**

TO: MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE (THE “**TRUSTEE**”) UNDER THE TRUST INDENTURE DATED AS OF DECEMBER 1, 2013 (THE “**INDENTURE**”), BETWEEN MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY (THE “**ISSUER**”) AND THE TRUSTEE.

This requisition of payment is delivered to the Trustee in accordance with Section 4.05 of the Indenture. Payment shall be made from the 2013 Clearing Fund established in accordance with Section 4.01 of the Indenture. All terms used herein which are not otherwise defined herein shall have the meanings given such terms in the Indenture.

The undersigned hereby requests that the amount of \$\_\_\_\_\_ be paid to the designated payees for the payment or reimbursement of Costs of Issuance.

The undersigned hereby states and certifies that the amounts requested are or were necessary and appropriate Costs of Issuance, have been properly incurred and are proper charges against the 2013 Clearing Fund, and have been paid, or are justly due to the persons whose names are stated in Schedule I attached hereto, and have not been the basis of any previous requisition from the 2013 Clearing Fund.

MONROE COUNTY INDUSTRIAL  
DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Authorized Officer

Date: \_\_\_\_\_

## **APPENDIX D**

[Form of Investor Letter]

[Date]

Monroe County Industrial Development Authority  
300 Community Drive, Suite D  
Tobyhanna, Pennsylvania 18466

Manufacturers and Traders Trust  
Company, as Placement Agent  
25 S. Charles St.  
Baltimore, MD 21201

CBH20, LP  
One Camelback Road  
P. O. Box 168  
Tannersville, Pennsylvania 18372

Manufacturers and Traders Trust Company, as  
Trustee  
213 Market Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17101

Re: Monroe County Industrial Development Authority Tax Increment Financing Revenue  
Bonds (Camelback Pocono Township Project), Series of 2013 (Federally Taxable)

Ladies and Gentlemen:

The undersigned (the “Purchaser”) hereby acknowledges receipt from the Monroe County Industrial Development Authority (the “Authority”) of the aggregate principal amount of \$13,821,000 Monroe County Industrial Development Authority Tax Increment Financing Revenue Bonds (The Camelback Pocono Township Project) Series 2013 (Federally Taxable) (the “Bonds”). The Bonds delivered to the Purchaser are dated December 11, 2013, and bear interest from the date of their initial delivery, in fully registered form. The Bonds have been checked, inspected and approved by the Purchaser.

The undersigned acknowledges that the Bonds were issued for the purpose of: (i) financing certain off-site improvements, road improvements and the purchase and installation of fixtures and equipment to be incorporated in a Development (as defined below) to be located within the County of Monroe, Pennsylvania (the “County”), the Township of Pocono (the “Township”) and the Pocono Mountain School District (the “School District”), (ii) funding a reserve fund under the Indenture (as hereinafter defined), (iii) funding capitalized interest on the Bonds and (iv) paying certain administrative costs and costs relating to the issuance of the Bonds (collectively, the “Project”). The undersigned acknowledges that the Bonds are being issued pursuant to the Pennsylvania Economic Development Financing Law (P.L. 251, approved August 23, 1967, 73 P.S. § 371 *et seq.*, as amended) and the Pennsylvania Tax Increment Financing Act (P.L. 465, approved July 11, 1990, 53 P.S. § 6930.1 *et seq.*, as amended) and a Trust Indenture, dated for convenience as of December 1, 2013, by and between the Authority and Manufacturers and Traders Trust Company, as trustee (the “Trustee”) (the “Indenture”). In connection with the issuance of the Bonds, Bond Counsel will deliver an Opinion to the effect that, among other things, interest on the Bonds is not excluded from gross income for federal income tax purposes and will be fully subject to federal income taxation.

The Purchaser acknowledges that the real property within the District is initially owned by EPT Ski Properties, Inc. and is being developed by CBK Lodge, LP (the “Developer”) as a destination facility consisting principally of a resort hotel facility with 413 guest rooms, restaurant(s) and an indoor water

park, a parking facility for approximately 639 vehicles and related fixtures, furnishings and improvements (collectively, the “Development”).

The Development will be located in the Pocono CBK Tax Increment Financing District (the “District”) created pursuant to Ordinance 2013-06 enacted by the Board of Supervisors of the Township on July 15, 2013.

The undersigned further acknowledges that the Bonds are secured by the Indenture, which creates a security interest in the incremental ad valorem tax revenues in excess of the tax increment base (the “Tax Increment Revenues”) expected to result from the increase in total market value of real property values in the District due to the completion of the Development and from amounts held in certain funds pursuant to the Indenture. In addition, pursuant to a Partnership Guaranty Agreement by and among the CBH2O, LP, a Pennsylvania limited partnership, the Authority and the Trustee, the CBH2O, LP, has agreed to guarantee the payment of the principal of and interest on the Bonds. Further, pursuant to the a Guaranty Agreement by each of Kenneth L Ellis and Arthur B. Berry, III (the “Individual Guaranties”), such individuals have guaranteed payment of Debt Service contingent upon certain “bad acts” as more specifically and uniformly described and set forth in said Individual Guaranties.

The Township, the County and the School District constitute all of the taxing bodies (the “Taxing Bodies”) that levy real property taxes within the District. The Authority and the Taxing Bodies have entered into an intergovernmental cooperation agreement dated for convenience as of November 25, 2013 (the “Cooperation Agreement”) wherein the Taxing Bodies have assigned their respective rights to 100% the Tax Increment Revenues to the Authority for the purpose of financing the Project. The Authority is assigning its rights in and to the Tax Increment Revenues to the Trustee as security for the Bonds.

In connection with the sale of the Bonds to the Purchaser, the Purchaser hereby makes the following representations upon which you may rely:

1. The Purchaser qualifies as an “accredited investor” as such term is defined under Regulation D promulgated under the Securities Act of 1933, as amended.
2. The Bonds are being acquired by the Purchaser for investment and not with a present view to, or for resale in connection with, any distribution of the Bonds, and the Purchaser presently intends to hold the Bonds for its own account and for an indefinite period of time, and does not presently intend at this time to dispose of all or any part of the Bonds. The Purchaser understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible. The Purchaser will not sell or otherwise transfer any of the Bonds other than to a person that it reasonably believes to be an accredited investor or qualified institutional buyer (as defined in Rule 144A under the Securities Act of 1933, as amended), and, as to any transfer occurring on or before the later of the third annual anniversary of the Issue Date of the Bonds or issuance of a Certificate of Occupancy with respect to the hotel component of the Development, that has delivered to the Authority and to the Trustee an investor letter to the same effect as this Investor Letter, including this paragraph 2, if required under the Indenture.
3. The Purchaser understands that the Bonds have not been registered under the Securities Act of 1933, as amended. The Purchaser acknowledges that it is required to comply with the applicable State and Federal securities laws then in effect in connection with the sale of the Bonds by the Purchaser.

4. The Purchaser understands that the Bonds involve a high degree of risk. The Purchaser acknowledges that a Private Placement Memorandum has been provided at the time of the initial placement of the Bonds to the initial Purchaser, that the Developer has otherwise provided to the Purchaser such other information as it deems necessary to make an informed investment decision, and that the Purchaser has conducted its own independent investigation and analysis of the matters contained in the Private Placement Memorandum and in the other information provided to it by the Developer. The Purchaser acknowledges that all inquiries made by it of the Developer have been answered to its satisfaction. The Purchaser further acknowledges that it has such knowledge and experience in business matters that it is fully capable of evaluating the merits and risks of this investment, it is able to bear the economic risk of the investment and that it has retained legal counsel to assist it in evaluating the legal consequences, the results of the Purchaser's independent investigation of the Bonds and such other aspects of the purchase of the Bonds as the Purchaser deems relevant to making an informed investment decision concerning the Bonds. Specifically, and without in any manner limiting the foregoing, the Purchaser understands and acknowledges that, among other risks: (i) other than as provided in the Partnership Guaranty Agreement and the Individual Guaranties, the Bonds are payable solely from the Tax Increment Revenues and certain funds under the Indenture; that neither the faith and credit nor the taxing power of the Authority, the County, the Township, the School District or the Commonwealth of Pennsylvania or any political subdivision thereof is pledged to the payment of the Bonds, except for the Tax Increment Revenues and certain funds under the Indenture, and that such Tax Increment Revenues and other funds securing the Bonds may not be sufficient to pay debt service on the Bonds, and (ii) that payment of the principal of the Bonds, by their terms and pursuant to the provisions of the Indenture, are not subject to acceleration (which provisions do not prohibit the prepayment, redemption, tender or defeasance of the Bonds).
5. In entering into this transaction, the Purchaser has not relied upon any representations or opinions made by the Authority or the Placement Agent relating to the legal consequences or other aspects of the purchase of the Bonds by the Purchaser (except, with respect to the Placement Agent: (a) the document entitled "Monroe County IDA, CBK Lodge - Tax Increment Financing - Semiannual Cash Flow Report" (sent to the Purchaser on December 9, 2013), which is based on information provided to the Placement Agent by the tax assessor with respect to the TIF District; (b) the document entitled "Camelback Pocono Township Project, Series 2013 Calculation of Annual Escrow Amount as of August 15, - " (sent to the Purchaser on December 9, 2013); (c) the document entitled - "Sources and Uses" (sent to the Purchaser on December 9, 2013); and (d) the information contained in the Private Placement Memorandum under the captions: (i) "THE DEVELOPMENT AND THE PROJECT - Projected Construction Draw Schedule", which is based on information provided to the Placement Agent by the Developer, and (ii) "THE BONDS - Projected Debt Service Requirements"). The Purchaser has purchased the Bonds based solely on its own independent investigation of the merits and risks of the investment. The Purchaser holds harmless the Placement Agent, the Authority and each of its respective officials, officers, employees and agents against any and all claims, losses, damages or liabilities incurred or that may be incurred by the Purchaser (or actions in respect of such losses, claims, damages or liabilities) (other than



claims, losses, damages or liabilities arising from a breach of the duty of care of the Trustee as set forth in Article VI of the Indenture) (“Claims and Liabilities”) arising out of, or based upon, the purchase of the Bonds by the Purchaser, other than Claims and Liabilities arising out of a violation of securities laws by the Authority, the Placement Agent or the Trustee not caused by Purchaser’s actions. The Purchaser acknowledges and agrees to the limitations of the Authority’s liabilities which are set forth in Section 10 of the Purchase Agreement. The Purchaser hereby indemnifies the Placement Agent and the Trustee and each of its respective officials, officers, employees and agents against any and all claims, losses, damages or liabilities incurred or that may be incurred by the Trustee (or actions in respect of such losses, claims, damages or liabilities) arising out of, or based upon, a misrepresentation made by the Purchaser herein.

6. The Purchaser has been informed that the Bonds (i) have not been and will not be registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any jurisdiction, (ii) will not be listed on any stock or other securities exchange, and (iii) will carry no rating at the time of their sale from any rating service and that, notwithstanding the provisions contained in paragraph 2 hereof, there have been no representations made to the Purchaser that the Bonds shall ever carry a rating from any rating service.
7. The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds.

ORIX Public Finance, LLC, as Purchaser

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

1717 Main Street, Suite 1100  
Dallas, TX 75201

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## **APPENDIX C**

### **Form of Bond Counsel Opinion**

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[FORM OF OPINION OF ECKERT SEAMANS CHERIN & MELLOTT, LLC, BOND COUNSEL]

\$ \_\_\_\_\_  
MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
TAX INCREMENT FINANCING REVENUE REFUNDING BONDS  
(CAMELBACK POCONO TOWNSHIP PROJECT),  
SERIES OF 2025 (TAX-EXEMPT)

To the Purchasers of the \_\_\_\_\_, 2025  
above-described Bonds:

We have acted as bond counsel with respect to the issuance by Monroe County Industrial Development Authority (the “**Authority**”), a body corporate and politic, duly created, organized and existing under the Pennsylvania Economic Development Financing Law, as amended (the “**Act**”), of its Tax Increment Financing Revenue Refunding Bonds (Camelback Pocono Township Project), Series of 2025 (Tax-Exempt), in the principal amount of \$ \_\_\_\_\_ (the “**Bonds**”).

The Bonds are being issued pursuant to the Act, the Pennsylvania Tax Increment Financing Act of 1990, as amended, 53 P.S. 6930.1 *et seq.* (the “**TIF Act**”), and under the terms of a Trust Indenture, dated as of December 1, 2013 (the “**Original Indenture**”), between the Authority and Manufacturers and Traders Trust Company, as trustee (the “**Trustee**”), as amended by a First Supplemental Trust Indenture dated as of August 1, 2025 (the “**First Supplemental Indenture**,” and together with the Original Indenture, the “**Indenture**”).

The Bonds are dated as of the date hereof, are issuable in the denominations of \$5,000 and integral multiples thereof, and bear interest from the date of issuance, payable initially on January 1, 2026, and on each January 1 and July 1 thereafter until payment of the principal thereof has been duly made or provided for. The Bonds bear interest at the rate and mature on the date and in the amount as set forth in the First Supplemental Indenture.

The Township of Pocono, Monroe County, Pennsylvania (the “**Township**”) has created the Pocono CBK Tax Increment Financing District (the “**TIF District**”) pursuant to the TIF Act. The Tax Increment Financing Plan (the “**TIF Project Plan**”) was prepared by the Authority and approved by the Township, the County of Monroe, Pennsylvania (the “**County**”) and the Pocono Mountain School District (the “**School District**”) (the County, the Township and the School District being each hereinafter referred to as a “**Taxing Body**” and collectively as the “**Taxing Bodies**”).

The Bonds are being issued by the Authority as Tax Increment Bonds under the TIF Act to provide funds to (i) refund all of the outstanding amount of the Authority’s previously issued Monroe County Industrial Development Authority, Tax Increment Financing Revenue Bonds (Camelback Pocono Township Project), Series of 2013 (Federally Taxable), dated December 12, 2013 (the “**Refunded Bonds**”), (ii) fund the Debt Service Reserve Fund (as defined in the Indenture), and (iii) pay certain costs relating to the issuance of the Bonds (the “**Project**”).

The Refunded Bonds were issued to provide funds to (i) finance the costs of the purchase and installation of furniture, fixtures and equipment to be incorporated into the development within the TIF District and other necessary and related expenditures within the TIF District, (ii) fund capitalized interest on the Refunded Bonds, (iii) fund a debt service reserve fund, (iv) fund certain administrative expenses, and (v) pay certain costs relating to the issuance of the Refunded Bonds.

The Bonds are payable out of moneys to be received by the Authority under the Cooperation Agreement, dated for convenience as of November 25, 2013, by and among the Authority and the Taxing Bodies wherein each Taxing Body has agreed pursuant to the TIF Act to assign its respective rights to the incremental taxes with respect to the TIF District (the “**TIF Revenues**”) to the Authority for the term of the Bonds as security for the payment of principal of and interest on the Bonds.

Pursuant to the Indenture, the Authority has pledged and assigned for the benefit of the Trustee or its assigns (a) the Tax Increment Revenues, as defined in the Indenture, pledged pursuant to the Cooperation Agreement, (b) certain of the moneys and securities held from time to time by the Trustee in or as part of the funds and accounts held under the Indenture, and (c) monies held pursuant to the Tax Escrow Fund created under the Tax Fund Escrow Pledge and Security Agreement dated December 12, 2013 (the “Tax Fund Escrow Agreement”) among CMBK Resort Holdings, LLC, as successor to CBK Lodge, LP and CBH20, LP, the Trustee and Manufacturers and Traders Trust Company as escrow agent (collectively, the “**Pledged Revenues**”).

As to questions of fact material to our opinion, we have relied upon representations, warranties and certifications of the Authority and the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

In the course of the performance of our duties as Bond Counsel, we have examined, among other things, the Indenture and the Tax Compliance Agreement, dated \_\_\_\_\_, 2025 (the “**Tax Compliance Agreement**”), of officials of the Authority having responsibility for issuing the Bonds, given pursuant to the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the “**Code**”), and such other documents, opinions, records, orders, notices, certificates, statutes, ordinances, resolutions and decisions as we have deemed necessary to enable us to furnish this opinion, including a certificate of the Trustee as to the due execution and authentication of the Bonds.

Based on such examination of the foregoing identified above, and the certifications and representations of fact contained in the proceedings relating to the issuance of the Bonds, which we have not verified independently, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Authority has been duly incorporated and is a validly existing Authority in good standing under the laws of the Commonwealth of Pennsylvania (the “**Commonwealth**”).
2. The Authority has and at all relevant times has had corporate power to undertake the Project in the manner provided in the Indenture.
3. The Authority has full legal right, power and authority to enter into the First Supplemental Indenture, to issue, sell and deliver the Bonds and to carry out and consummate all other transactions to be carried out and consummated by it as contemplated by the Indenture.

4. The First Supplemental Indenture has been duly authorized, executed and delivered by the Authority and constitutes a legal, valid and binding limited obligation of the Authority, enforceable in accordance with its terms except to the extent that the remedies provided for therein may be limited by bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally.
5. The Bonds have been duly authorized, executed, issued and delivered, and constitute legal, valid and binding obligations of the Authority in accordance with their terms, and are entitled to the benefit and security of the Indenture.
6. The Bonds and the interest thereon are limited obligations of the Authority payable solely from the moneys pledged therefor under the Indenture and constitute a valid claim of the respective owners thereof against such moneys and other amounts so derived, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.
7. Under the laws of the Commonwealth as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax; however, under the laws of the Commonwealth as enacted and construed on the date hereof, any profits, gains or income derived from the sale, exchange or other disposition of the Bonds will be subject to Commonwealth taxes and local taxes within the Commonwealth.
8. Under existing statutes, regulations, rulings and court decisions, interest on the Bonds will not be includible in gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the Authority with the requirements of the Code. Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals.

In rendering this opinion, we have assumed compliance by the Authority with the covenants contained in the Indenture and the representations of the Authority in the Tax Compliance Agreement relating to actions to be taken by the Authority after the issuance of the Bonds necessary to effect or maintain the exclusion from gross income of the interest on the Bonds for federal income tax purposes. These covenants and representations relate to the use and investment of proceeds of the Bonds, and the rebate to the United States Department of Treasury of specified arbitrage earnings, if any. Failure to comply with such covenants could result in the interest on the Bonds becoming includible in gross income for federal income tax purposes from the date of issuance of the Bonds.

It is understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We call to your attention the fact that the Bonds are special obligations of the Authority payable solely from and secured solely by the Pledged Revenues. The Bonds are not general obligations of the Authority and do not pledge the full faith and credit of the Authority or the full faith, credit or taxing power of the

Commonwealth, the Township, the County, the School District, or any other political subdivision thereof or create any debt or charge against the general revenues of the Authority or create a lien or charge against any property of the Authority other than the Pledged Revenues. Neither the Commonwealth, the Township, the County, the School District, nor any political subdivision thereof is obligated to pay the principal of or interest on the Bonds. The Authority has no taxing power.

We express no opinion as to any matter not set forth in the numbered paragraphs herein. This opinion is given as of the date hereof and we assume no obligation to supplement this opinion to reflect changes in law that may hereafter occur or changes in facts or circumstances that may hereafter come to our attention. Without limiting the generality of the foregoing, we express no opinion herein with respect to, and assume no responsibility for, the accuracy, adequacy or completeness of the preliminary official statement or the official statement prepared in respect of the Bonds, and make no representation that we have independently verified the contents thereof.

Very truly yours,

ECKERT SEAMANS CHERIN & MELLOTT, LLC



## **APPENDIX D**

### **Form of Continuing Disclosure Agreement**

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## **CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement dated as of August 1, 2025 (this “Agreement”) by and between the MONROE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, a body corporate and politic of the Commonwealth of Pennsylvania (the “Authority”), and MUNICAP, INC. (the “Dissemination Agent”), and acknowledged by MANUFACTURERS AND TRADERS TRUST COMPANY, as trustee (the “Trustee”), is being entered into in connection with the issuance of \$\_\_\_\_,\_\_\_\_,\_\_\_\_ aggregate principal amount of Monroe County Industrial Development Authority Tax Increment Financing Revenue Refunding Bonds (Camelback Pocono Township Project), Series of 2025 (Tax-Exempt) (the “Bonds”). The Bonds are being issued pursuant to a Trust Indenture dated as of December 1, 2013, as amended and supplemented by a First Supplemental Trust Indenture dated as of August 1, 2025 (collectively, the “Indenture”), each by and between the Trustee and the Authority.

The Dissemination Agent and the Authority hereby covenant and agree as follows:

### **Section 1. Purpose of the Authority Continuing Disclosure Agreement.**

This Agreement is being executed and delivered by the Authority and the Dissemination Agent and acknowledged by the Trustee for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with the Rule (as defined below).

### **Section 2. Definitions.**

Terms not otherwise defined herein shall have the meanings set forth in the Offering Document (defined below).

“Annual Report” means the annual report prepared and delivered to the MSRB containing the information set forth in Section 3(a) of this Agreement.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule. Further, the term “Financial Obligation” shall be construed with reference to and in *pari materia* with the Rule and any applicable no-action letters, adopting releases and other authoritative interpretations of the Rule released by the Securities and Exchange Commission from time to time.

“Listed Events” means any of the events listed in Section 4(a) of this Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Offering Document” means the Official Statement with respect to the Bonds dated \_\_\_\_\_, 2025.

“Person” means an individual, estate, trust, corporation, partnership, limited liability company or any other organization or entity (whether governmental or private).

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

“Underwriter” means Stifel, Nicolaus & Company, Inc.

### **Section 3. Provision of Information.**

(a) The Dissemination Agent shall each year, commencing with the year ending December 31, 2025, provide an Annual Report to the MSRB. The Annual Report shall include information as of December 31 of each year and be provided to the MSRB no later than June 30 of the following year. The Annual Report may be submitted as a single document or as separate documents comprising a package; provided, however, that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report. Each Annual Report shall contain or incorporate by reference the following information:

(i) the Authority's audited financial statements for the most recently completed fiscal year prepared in accordance with generally accepted accounting principles applicable in the preparation of financial statements of the Authority as promulgated by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, or such other body recognized as authoritative by the American Institute of Certified Public Accountants or any successor body, as applicable ("GAAP"), and shall also comply with applicable federal and state auditing statutes, regulations, standards and/or guidelines;

(ii) The balance of the funds and accounts created under the Indenture as of December 31 of such calendar year;

(iii) The Annual Escrow Amount due for the following year ending August 15 pursuant to the Tax Fund Escrow Pledge and Security Agreement dated December 12, 2013, among CMBK Resort Holdings, LLC, as successor to CBK Lodge, L.P., the Trustee and Manufacturers and Traders Trust Company, as escrow agent thereunder;

(iv) Description of all tax bill delinquencies and collections of past due tax bills;

(v) Any reclassification of any parcel within the TIF District from taxable real property to public property;

(vi) Any litigation, legislation, or administrative or judicial actions challenging the validity of the Bonds or the creation of the TIF District;

(vii) Any tax assessment appeals by any land owner within the TIF District; and

(viii) The total assessed value of the property in the TIF District.

(b) The Dissemination Agent shall file a report with the Authority and the Trustee certifying that the Annual Report has been provided to the MSRB pursuant to this Agreement and stating the date it was provided.

(c) In the event the Dissemination Agent is not provided with the information necessary to timely provide an Annual Report to the MSRB under Section 3(a) of this Agreement, the Dissemination Agent shall in a timely manner send a notice to the MSRB in substantially the form attached as Exhibit A hereto.

(d) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Market Access (EMMA) system, the current internet web address of which is [www.emma.msrb.org](http://www.emma.msrb.org). All notices, documents and information provided to the MSRB shall be in an electronic format as prescribed by the MSRB.

#### **Section 4. Reporting of Significant Events.**

(a) The Dissemination Agent shall promptly file a notice of the occurrence of any of the following Listed Events of which the Dissemination Agent has received notice from the Authority or the Trustee or of which the Dissemination Agent has actual knowledge, with the MSRB not later than ten (10) business days after the occurrence of the 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 the 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 status of the Bonds;
- (vii) modifications to rights of Holders, if material;
- (viii) bond calls (other than mandatory sinking fund redemptions), 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 event of the Authority (for the purposes of the event identified in subparagraph (xii), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority 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 Authority, 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 Authority);
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, 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 of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, 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 the financial obligation of the Authority, any of which reflect financial difficulties.

(b) Whenever the Authority obtains actual knowledge of the occurrence of any of the Listed Events, the Authority shall promptly notify the Dissemination Agent.

(c) The Trustee shall, within five (5) business days of obtaining actual knowledge of the occurrence of any of the Listed Events in 4(a) promptly notify the Dissemination Agent.

(d) Whenever the Dissemination Agent obtains knowledge of the occurrence of a Listed Event, whether because of a notice from the Trustee pursuant to clause (c) of this Section or otherwise, the Dissemination Agent shall promptly notify the Trustee and the Authority in writing. If a Listed Event pursuant to clauses (a)(ii), (a)(viii), (a)(x), (a)(xiii), (a)(xiv) or (a)(xv) above occurs, the Authority shall make a determination of whether an event is material and notify the Dissemination Agent of its decision to enable the Dissemination Agent to timely file notice of any Listed Event.

#### **Section 5. Limitation on Remedies.**

The Authority and the Dissemination Agent shall be given written notice at the addresses set forth in Section 10 below of any claimed failure by the Authority or the Dissemination Agent (as the case may be) to perform its obligations under this Agreement, and the Authority or the Dissemination Agent (as the case may be) shall be given fifteen (15) days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the Authority or the Dissemination Agent (as the case may be) shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action.

#### **Section 6. Limitation on Forum.**

Any suit or other proceeding seeking redress with regard to any claimed failure by the Authority to perform its obligations under this Agreement must be filed in the Commonwealth of Pennsylvania.

#### **Section 7. Limited Liability of Authority and Dissemination Agent.**

(a) ANY AND ALL OBLIGATIONS OF THE AUTHORITY ARISING OUT OF, OR RELATED TO, THIS AGREEMENT, THE BONDS, ANY OF THE BOND DOCUMENTS OR ANY OTHER AGREEMENT, DOCUMENT, INSTRUMENT OR CERTIFICATE EXECUTED, DELIVERED OR APPROVED IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE AND ARE NOT SECURED BY THE FULL FAITH AND CREDIT OF, NOR ARE THEY PAYABLE FROM, THE GENERAL FUNDS OR ASSETS OF THE AUTHORITY. NEITHER THE PRINCIPAL OF THE BONDS, NOR THE INTEREST ACCRUING THEREON, SHALL EVER CONSTITUTE A GENERAL INDEBTEDNESS OF THE AUTHORITY OR AN INDEBTEDNESS OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF (INCLUDING THE COUNTY OF MONROE, THE TOWNSHIP OF POCONO AND THE POCONO MOUNTAIN SCHOOL DISTRICT) WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER OR SHALL EVER CONSTITUTE OR GIVE RISE TO A

PECUNIARY LIABILITY OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, NOR WILL THE BONDS BE, OR BE DEEMED TO BE, AN OBLIGATION OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF. THE AUTHORITY HAS NO TAXING POWER.

No person, including any Bondholder, shall have any claim against the Authority or any of its officers, officials, directors, attorneys, agents or employees, past, present or future (or any of their respective heirs, personal representatives or successors), for damages suffered as a result of the Authority's failure to perform in any respect any covenant, undertaking, or obligation under this Agreement or any of the Bond Documents or as a result of the incorrectness of any representation in, or omission from, this Agreement or any of the Bond Documents, or under any constitutional provisions, statute or rule of law, except to the extent that any such claim relates to any obligation, undertaking, representation or covenant of the Authority that is properly payable pursuant to and in accordance with the Acts and any of the Bond Documents (provided that, subject to Sections 5 and 6 above, any such claim shall be strictly limited to, and payable only from, the Trust Estate and/or the proceeds of the Bonds that may be made available for such purposes under the Acts). There shall be no other recourse against the Authority. No personal recourse shall be had against any officer, official, director, attorney, agent or employee of the Authority, past present or future (or any of their respective heirs, personal representatives or successors); but nothing herein contained will relieve any such officer, official, director, attorney, agent or employee from the performance of any official duty provided by law. Nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the Authority or any of its officers, officials, directors, attorneys agents or employees to enforce the provisions of this Continuing Disclosure Agreement or of any of the Bond Documents, and, provided further, that the limitation on liability of the Authority set forth in this Section 7(a) shall in no way supersede the limitations on remedies in Section 5 above.

(b) No person shall have any claim against the Dissemination Agent, or any of its officers, officials, agents or employees for damages suffered as a result of the Dissemination Agent's failure to perform in any respect any covenant, undertaking, or obligation under this Agreement; provided, however, that nothing contained herein shall be construed to preclude any action or proceeding in any court or before any governmental body, agency or instrumentality against the Dissemination Agent or any of their officers, officials, agents or employees to specifically enforce the provisions of this Agreement.

#### **Section 8. Nature and Obligation of Authority.**

(a) The Authority agrees (i) to use its diligent and reasonable best efforts to retain the Dissemination Agent or another competent Person to perform the duties and obligations of the Dissemination Agent relating to the continuing disclosure as set forth in Sections 3 and 4 and (ii) to require the Dissemination Agent, or such other competent individual or entity, to perform its obligations hereunder. Initially, MuniCap, Inc. has been hired to perform the duties and obligations of the Dissemination Agent hereunder pursuant to an Agreement for Administrative Services dated as of \_\_\_\_\_, 2025, by and among the Dissemination Agent and the Authority.

(b) If, despite its diligent and reasonable best efforts, the Authority is unable to hire or retain the Dissemination Agent or another competent individual or entity to perform the duties and obligations of the Dissemination Agent as described in paragraph (a) above, the Authority agrees to provide or cause to be provided the information described in Section 3(a) and Section 4(a) to the MSRB, as required by such Sections.

(c) If the Authority is performing the duties and obligations of the Dissemination Agent as described in paragraph (b) above, the Authority shall be entitled to be reimbursed for any and all reasonable costs and expenditures associated with its performance of such duties and obligations.

(d) It is hereby acknowledged by the parties to this Agreement that any and all (i) fees or costs necessary to hire and retain the services of the Dissemination Agent or (ii) costs and expenditures of the Authority associated with its performance of the duties and obligations of the Dissemination Agent constitute administrative expenses and are payable from the Tax Increment Revenues as provided in the Indenture.

#### **Section 9. Termination of Reporting Obligation.**

The Dissemination Agent's and the Authority's obligations under this Agreement shall terminate at such time that the Bonds are no longer Outstanding under the Indenture.

#### **Section 10. Notices.**

Any notices or communications to or among any of the parties to this Agreement may be given as follows:

If to the Authority:

Monroe County Industrial Development Authority  
701 Main Street, Suite 407  
Stroudsburg, PA 18630  
Attention: President

If to the Dissemination Agent:

MuniCap, Inc.  
8965 Guilford Road, Suite 210  
Columbia, MD 21046  
Attention: President

If to the Trustee:

Manufacturers and Traders Trust Company  
213 Market Street, 2nd Floor  
Mail Code: PA1-HM02  
Harrisburg, PA 17101  
Attention: Alphonse C. Miller, Vice President

#### **Section 11. Amendment; Waiver.**

Notwithstanding any other provision of this Agreement, the Authority, the Dissemination Agent and the Trustee may amend this Agreement (and the Dissemination Agent and the Trustee shall each agree to any amendment so requested by the Authority which does not impose any greater duties, nor greater risk of liability, on the Dissemination Agent and Trustee, respectively) and any provision of this Agreement may be waived, provided that the following conditions are satisfied:



(a) If the amendment or waiver relates to the provisions of Section 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Authority;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Bondholders in the same manner as provided in the Indenture for amendments to the Indenture with the consent of the Bondholders, or (ii) does not, in the opinion of nationally recognized bond counsel addressed to the Authority, the Dissemination Agent and the Trustee, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Agreement, the Authority shall cause the Dissemination Agent to describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of information being presented by the Authority.

#### **Section 12. Default.**

In the event of a failure of the Authority or the Dissemination Agent to comply with any provision of this Agreement, the Trustee shall, at the written request of a holder of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds (but only if and to the extent the Trustee is indemnified to its satisfaction from any costs, liability or expense including, without limitation, fees and expenses of its attorneys), or any Bondholder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority or the Dissemination Agent, as the case may be, to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Agreement in the event of any failure of the Authority or the Dissemination Agent to comply with this Agreement shall be an action to compel performance. Notwithstanding anything to the contrary contained herein, the Trustee is acting hereunder solely in its capacity as Trustee under the Indenture, and the provisions set forth in the Indenture relating to the rights, immunities and indemnification of the Trustee are equally applicable to the Trustee under this Agreement as if such provisions were fully set forth herein.

#### **Section 13. Beneficiaries.**

This Agreement shall inure solely to the benefit of the Authority, the Dissemination Agent, the Trustee and Bondholders and Beneficial Owners from time to time of the Bonds and shall create no rights in any other Person.

#### **Section 14. Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

**Section 15. Dissemination Agent.**

Initially, MuniCap, Inc. has been hired to perform the duties and obligations of the Dissemination Agent hereunder pursuant to an Agreement for Administrative Services, dated the date of delivery of the Bonds, between MuniCap, Inc. and the Authority.

**Section 16. Counterparts.**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

MONROE COUNTY INDUSTRIAL  
DEVELOPMENT AUTHORITY

By \_\_\_\_\_  
Authorized Officer

MUNICAP, INC., as Dissemination Agent

By: \_\_\_\_\_  
Keenan Rice, President

ACKNOWLEDGED, ACCEPTED AND AGREED AS TO SECTION 4(c) AND 12:

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**FORM OF NOTICE TO THE MSRB OF NON-RECEIPT OF  
INFORMATION NECESSARY TO FILE ANNUAL REPORT**

Name of Issuer: Monroe County Industrial Development Authority

Name of Bond Issue: \$\_\_\_\_,\_\_\_\_,\_\_\_\_ Monroe County Industrial Development Authority Tax  
Increment Financing Revenue Refunding Bonds (Camelback Pocono  
Township Project) Series of 2025 (Tax- Exempt)

Date of Issuance: August \_\_\_\_, 2025

NOTICE IS HEREBY GIVEN that MuniCap, Inc. has not been provided with the information necessary to provide an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of August 1, 2025.

Dated: \_\_\_\_\_

MUNICAP, INC.

By: \_\_\_\_\_  
Name:  
Title:

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