

**RESOLUTION OF THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES
AUTHORITY TO APPROVE THE FORM 'A' APPLICATION FOR WATER AND
SEWER SERVICES AT OAKVIEW RESIDENTIAL DEVELOPMENT – COUNTY
HOUSE ROAD; BLOCK 16, LOTS 1, 1.03, 2 AND 4.18 BASED UPON THE
ENGINEER'S REVIEW LETTER DATED SEPTEMBER 23, 2024**

WHEREAS, the Washington Township Municipal Utilities Authority, a duly constituted public body in the County of Gloucester, State of New Jersey ("Authority") received an Application for Form A, water and sewer plan review, from BPC at Oakview, LLC (the "Applicant") at the property identified as Block 16, Lots 1, 1.03, 2 and 4.18, on the Tax Map of Washington Township, commonly known as County House Road and Aron's Circle; and

WHEREAS, the Authority received a letter from Authority Engineer Dennis K. Yoder, P.E., P.P., C.M.E., dated September 23, 2024, reviewing the Application (the "Review Letter"), which is incorporated by reference into this Resolution as if set forth at length; and

WHEREAS, the Authority has determined that it is appropriate to grant Form A approval to the Applicant, contingent on all of the terms and conditions contained in the Authority Engineer's Review Letter.

NOW, THEREFORE BE IT RESOLVED, upon proper motion and vote at a public meeting of the Washington Township Municipal Utilities Authority in the County of Gloucester, State of New Jersey, as follows:

1. Form A approval, as defined by the Authority's Rules and Regulations, is granted to the Applicant.
2. This Approval is conditioned on all of the terms and conditions contained in the September 23, 2024 Authority Engineer's Review Letter.
3. This Approval is further conditioned on the accuracy of all the representations made by the Applicant in its application materials or otherwise.

ADOPTED by Washington Township Municipal Utilities Authority on September 30, 2024.

ATTEST:


Dawn Passante, Secretary

**Washington Township Municipal
Utilities Authority**


Matt Gorman, Chairman

**RESOLUTION OF THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES
AUTHORITY TO APPROVE THE FORMS 'B' AND 'C' APPLICATIONS FOR SEWER
SERVICES AT 110 GANTTOWN ROAD; BLOCK 157, LOT 1.01 BASED UPON THE
ENGINEER'S REVIEW LETTER DATED SEPTEMBER 25, 2024**

WHEREAS, the Washington Township Municipal Utilities Authority, a duly constituted public body in the County of Gloucester, State of New Jersey ("Authority") received Applications for Form B and C, Sewer Service from Joseph Scafisi (the "Applicant") at the property identified as Block 157, Lot 1.01, on the Tax Map of Washington Township, commonly known as 110 Ganttown Road; and

WHEREAS, the Authority received a letter from Authority Engineer Dennis K. Yoder, P.E., P.P., C.M.E., dated September 25, 2024, reviewing the Applications ("Review Letter,") which is incorporated by reference into this Resolution as if set forth at length; and

WHEREAS, the Authority has determined that it is appropriate to grant Forms B and C approvals to the Applicant, contingent on all of the terms and conditions contained in the Authority Engineer's Review Letter.

NOW, THEREFORE BE IT RESOLVED, upon proper motion and vote at a public meeting of the Washington Township Municipal Utilities Authority in the County of Gloucester, State of New Jersey, as follows:

1. Forms B and C approvals, as defined by the Authority's Rules and Regulations, is granted to the Applicant.
2. This Approval is conditioned on all of the terms and conditions contained in the September 25, 2024 Authority Engineer's Review Letter.
3. This Approval is further conditioned on the accuracy of all the representations made by the Applicant in its application materials or otherwise.

ADOPTED by Washington Township Municipal Utilities Authority on September 30, 2024.

ATTEST:


Dawn Passante, Secretary

**Washington Township Municipal
Utilities Authority**


Matt Gorman, Chairman

**RESOLUTION OF THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES
AUTHORITY TO APPROVE THE FORM 'A' APPLICATION FOR WATER AND
SEWER SERVICES FOR 7BREW COFFEE AT 5200 ROUTE 42; BLOCK 196.01, LOT
1 BASED UPON THE ENGINEER'S REVIEW LETTER DATED
SEPTEMBER 23, 2024**

WHEREAS, the Washington Township Municipal Utilities Authority, a duly constituted public body in the County of Gloucester, State of New Jersey ("Authority") received an Application for Form A, water and sewer plan review, from G7B II, LLC (the "Applicant") at the property identified as Block 196.01, Lot 1 on the Tax Map of Washington Township, commonly known as 5200 Route 42; and

WHEREAS, the Authority received a letter from Authority Engineer Dennis K. Yoder, P.E., P.P., C.M.E., dated September 23, 2024, reviewing the Application (the "Review Letter"), which is incorporated by reference into this Resolution as if set forth at length; and

WHEREAS, the Authority has determined that it is appropriate to grant Form A approval to the Applicant, contingent on all of the terms and conditions contained in the Authority Engineer's Review Letter.

NOW, THEREFORE BE IT RESOLVED, upon proper motion and vote at a public meeting of the Washington Township Municipal Utilities Authority in the County of Gloucester, State of New Jersey, as follows:

1. Form A approval, as defined by the Authority's Rules and Regulations, is granted to the Applicant.
2. This Approval is conditioned on all of the terms and conditions contained in the September 23, 2024 Authority Engineer's Review Letter.
3. This Approval is further conditioned on the accuracy of all the representations made by the Applicant in its application materials or otherwise.

ADOPTED by Washington Township Municipal Utilities Authority on September 30, 2024.

ATTEST:



Dawn Passante, Secretary

**Washington Township Municipal
Utilities Authority**



Matt Gorman, Chairman

**RESOLUTION OF THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES
AUTHORITY TO APPROVE THE FORM D APPLICATION FOR WATER AND SEWER
SERVICES FOR FISH POND EQUITIES – OFFICE/MEDICAL BUILDINGS AT 354
HURFFVILLE CROSSKEYS ROAD; BLOCK 82.15, LOT 17 BASED UPON THE
ENGINEER’S REVIEW LETTER DATED SEPTEMBER 25, 2024**

WHEREAS, the Washington Township Municipal Utilities Authority, a duly constituted public body in the County of Gloucester, State of New Jersey (“Authority”) received an Application for Form D for water and sewer services from Fish Pond Equities, LLC (the “Applicant”) for the property identified as Block 82.15, Lot 17 on the Tax Maps of Washington Township, commonly known as 354 Hurffville-Crosskeys Road; and

WHEREAS, the Authority received a letter from Authority Engineer Dennis K. Yoder, P.E., P.P., C.M.E., dated September 25, 2024, reviewing the Application (the “Review Letter”), which is incorporated by reference into this Resolution as if set forth at length; and

WHEREAS, the Authority has determined that it is appropriate to grant Form D approval to the Applicant, contingent on all of the terms and conditions contained in the Authority Engineer’s Review Letter.

NOW, THEREFORE BE IT RESOLVED, upon proper motion and vote at a public meeting of the Washington Township Municipal Utilities Authority in the County of Gloucester, State of New Jersey, as follows:

1. Form D Approval as defined by the Authority’s Rules and Regulations is granted to the Applicant.
2. This Approval is conditioned on all of the terms and conditions contained in the September 25, 2024 Authority Engineer’s Review Letter.
3. This Approval is further conditioned on the accuracy of all the representations made by the Applicant in its application materials or otherwise.

ADOPTED by the Washington Township Municipal Utilities Authority on September 30, 2024.

ATTEST:



Dawn Passante, Secretary

**Washington Township Municipal
Utilities Authority**



Matt Gorman, Chairman

**RESOLUTION OF THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
APPROVING THE EMERGENCY REPAIR OF A 12" CI MAIN IN THE QUAY PARK
WATER UTILITY EASEMENT IN THE AMOUNT NOT TO EXCEED \$12,600.00**

WHEREAS, the Washington Township Municipal Utilities Authority ("Authority") a duly constituted public body in the County of Gloucester, State of New Jersey, has determined that there exists the need to approve the emergency repair of a 12" CI Main at the Quay Park Water Utility Easement on August 5, 2024 in an amount not to exceed \$12,600.00; and

WHEREAS, the Authority finds that there was an emergency that affected the health, safety, and welfare of the public which required the immediate delivery of services. The Authority also finds that the emergency repair was not reasonably foreseeable; and

WHEREAS, the Authority has approved the emergency repair of a 12" CI Main at the Quay Park Water Utility Easement on August 5, 2024 in an amount not to exceed \$12,600.00, to be charged from Budget Account number 4-01-02-200-613 by proper motion.

NOW, THEREFORE BE IT RESOLVED, by the Authority, County of Gloucester, and State of New Jersey, that the Authority has approved the emergency repair of a 12" CI Main at the Quay Park Water Utility Easement on August 5, 2024 in an amount not to exceed \$12,600.00.

CERTIFICATE OF AVAILABLE FUNDS

I, Elizabeth S. Rogale, Authority Executive Director/Chief Financial Officer, hereby certify that the funds as stated in this Resolution are available to the Authority. The Budget Account number to be charged is 4-01-02-200-613.

Dated: 9/30/24



Elizabeth S. Rogale,
Executive Director/CFO

ADOPTED by Washington Township Municipal Utilities Authority on September 30, 2024.

ATTEST:



Dawn Passante, Secretary

**Washington Township Municipal
Utilities Authority**



Matt Gorman, Chairman

**RESOLUTION OF THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
APPROVING THE EMERGENCY REPAIR OF AN 8" WATER MAIN GATE VALVE AT 11
TALON COURT IN THE AMOUNT NOT TO EXCEED \$17,100.00**

WHEREAS, the Washington Township Municipal Utilities Authority ("Authority") a duly constituted public body in the County of Gloucester, State of New Jersey, has determined that there exists the need to approve the emergency repair of an 8" Water Main Gate Valve at 11 Talon Court on August 16, 2024 in an amount not to exceed \$17,100.00; and

WHEREAS, the Authority finds that there was an emergency that affected the health, safety, and welfare of the public which required the immediate delivery of services. The Authority also finds that the emergency repair was not reasonably foreseeable; and

WHEREAS, the Authority has approved the emergency repair of an 8" Water Main Gate Valve at 11 Talon Court on August 16, 2024 in an amount not to exceed \$17,100.00, to be charged from Budget Account number 4-01-02-200-613 by proper motion.

NOW, THEREFORE BE IT RESOLVED, by the Authority, County of Gloucester, and State of New Jersey, that the Authority has approved the emergency repair of an 8" Water Main Gate Valve at 11 Talon Court on August 16, 2024 in an amount not to exceed \$17,100.00.

CERTIFICATE OF AVAILABLE FUNDS

I, Elizabeth S. Rogale, Authority Executive Director/Chief Financial Officer, hereby certify that the funds as stated in this Resolution are available to the Authority. The Budget Account number to be charged is 4-01-02-200-613.

Dated: 9/30/24

ERogale
Elizabeth S. Rogale,
Executive Director/CFO

ADOPTED by Washington Township Municipal Utilities Authority on September 30, 2024.

ATTEST:


Dawn Passante, Secretary

**Washington Township Municipal
Utilities Authority**


Matt Gorman, Chairman

**RESOLUTION OF THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
APPROVING THE EMERGENCY REPAIR OF A 2" WATER MAIN BLOWOFF AT 12
BATES COURT IN THE AMOUNT NOT TO EXCEED \$5,000.00**

WHEREAS, the Washington Township Municipal Utilities Authority ("Authority") a duly constituted public body in the County of Gloucester, State of New Jersey, has determined that there exists the need to approve the emergency repair of a 2" Water Main Blowoff at 12 Bates Court on August 29, 2024 in an amount not to exceed \$5,000.00; and

WHEREAS, the Authority finds that there was an emergency that affected the health, safety, and welfare of the public which required the immediate delivery of services. The Authority also finds that the emergency repair was not reasonably foreseeable; and

WHEREAS, the Authority has approved the emergency repair of a 2" Water Main Blowoff at 12 Bates Court on August 29, 2024 in an amount not to exceed \$5,000.00, to be charged from Budget Account number 4-01-02-200-613 by proper motion.

NOW, THEREFORE BE IT RESOLVED, by the Authority, County of Gloucester, and State of New Jersey, that the Authority has approved the emergency repair of a 2" Water Main Blowoff at 12 Bates Court on August 29, 2024 in an amount not to exceed \$5,000.00.

CERTIFICATE OF AVAILABLE FUNDS

I, Elizabeth S. Rogale, Authority Executive Director/Chief Financial Officer, hereby certify that the funds as stated in this Resolution are available to the Authority. The Budget Account number to be charged is 4-01-02-200-613.


Dated: 9/30/24

E. Rogale
Elizabeth S. Rogale,
Executive Director/CFO

ADOPTED by Washington Township Municipal Utilities Authority on September 30, 2024.

ATTEST:


Dawn Passante, Secretary

**Washington Township Municipal
Utilities Authority**

Matt Gorman, Chairman

RES #2024-101

THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

SUBORDINATED UTILITY SYSTEM REVENUE BOND RESOLUTION

Adopted July 16, 2024

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SUBORDINATED UTILITY SYSTEM REVENUE BOND RESOLUTION

WHEREAS, The Washington Township Municipal Utilities Authority (the "Authority") has been duly created as a public body politic and corporate organized and existing pursuant to the Municipal and County Utilities Authorities Law, constituting Chapter 183 of the Law of New Jersey of 1957, and the acts amendatory thereof and supplemental thereto (the "Act"); and

WHEREAS, pursuant to the terms of the Act, the Authority is empowered to acquire, construct, maintain, operate and use projects and to issue bonds of the Authority to finance and refinance such projects; and

WHEREAS, on January 10, 1966, the Authority adopted a bond resolution entitled "Resolution Authorizing the Issuance of Revenue Bonds of the Washington Township Municipal Utilities Authority" (the "Senior Bond Resolution") and issued bonds thereunder; and

WHEREAS, on July 23, 1991, the Authority adopted the Utility System Revenue Bond Resolution, as amended and supplemented (the "Junior Bond Resolution") which authorizes the issuance of Utility System Revenue Bonds ("Junior Bonds") secured by Pledged Funds to finance and refinance improvements to the Utility System; and

WHEREAS, Section 513 of the Junior Bond Resolution authorizes the Authority to issue Subordinated Debt payable from funds deposited from time to time in the Subordinated Debt Fund established under the Junior Bond Resolution; and

WHEREAS, the Authority desires to adopt this Subordinated Utility System Revenue Bond Resolution to authorize the issuance from time to time of Subordinated Debt designated herein as subordinate utility system revenue bonds payable from funds on deposit from time to time in the Subordinated Debt Fund to finance and refinance improvements to the Utility System; and

WHEREAS, the Authority desires to specify and determine certain terms and conditions of the subordinated bonds while the Senior Bonds are still Outstanding under the Junior Bond Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY, as follows:

ARTICLE I

STATUTORY AND OTHER DETERMINATIONS, AND DEFINITIONS AND INTERPRETATION

SECTION 101. Short Title. This resolution may hereafter be cited by the Authority, and is hereinafter sometimes referred to, as the "Subordinated Bond Resolution."

SECTION 102. Authority for Subordinated Bond Resolution. The Subordinated Bond Resolution is adopted pursuant to the provisions of the Act and the Junior Bond Resolution.

SECTION 103. Subordinated Bond Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, the provisions of the Subordinated Bond Resolution shall be deemed to be and shall constitute a contract between the Authority and the Holders from time to time of the Bonds. The pledge and assignment made in the Subordinated Bond Resolution and the covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds and shall be subject to the provisions of the Junior Bond Resolution, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by the Subordinated Bond Resolution and the Junior Bond Resolution.

SECTION 104. Obligation of Bonds and Pledge Securing the Same.

(A) The Bonds shall be direct and general obligations of the Authority, and the full faith and credit of the Authority are hereby pledged to the payment of the principal of, Redemption Price, if any, and interest on the Bonds. All Bonds shall be entitled to the benefits of the continuing pledge and lien created by the Subordinated Bond Resolution to secure the full and final payment of the principal of, Redemption Price, if any, and interest on all of the Bonds; provided, however, that such pledge shall be subordinated to the pledge and lien created by the Junior Bond Resolution.

(B) The Authority shall be obligated to pay the principal of, Redemption Price, if any, and interest on the Bonds from the funds on deposit from time to time in the Subordinated Debt Fund, which was established under the Junior Bond Resolution, to the extent, with the priority, and in the manner hereinafter provided. In addition, the Authority may, at its option, pay the principal of, Redemption Price, if any, and interest on the Bonds from any other money made available to the Authority for the payment therefor, except upon an Event of Default on the Senior Bonds.

SECTION 105. Definitions. In the Subordinated Bond Resolution, unless a different meaning clearly appears from the context:

"Accountant's Certificate" means an opinion signed by a registered municipal accountant or a certified public accountant of the State, as may be selected from time to time by the Authority.

"Act" means the Municipal and County Utilities Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1957, of the State of New Jersey, approved August 22, 1957, and the acts amendatory thereof and supplemental thereto.

“Additional Facilities” shall mean any water or sanitary sewerage project, properties or facilities to be hereafter constructed or acquired by the Authority which are part of the Sewerage System or the Water System and are acquired or constructed by or on behalf of the Authority and authorized by the Act, including, but not limited to, any additions, improvements, enlargements or betterments to the Sewerage System or the Water System or extensions thereof and all necessary and incidental reservoirs, basins, dams, canals, aqueducts, standpipes, conduits, pipelines, mains, pumping stations, water distribution systems, compensating reservoirs, waterworks or sources of water supply, wells, purification or filtration plants, sewers, pumping and ventilating stations, sewerage treatment or disposal systems, plants and works, manholes, fittings, connections, equipment, apparatus, structures and appurtenances and including all real property and rights-of-way, easements and other interests therein and all personal property necessary or desirable for the efficient construction and operation of such project, properties or facilities.

“Additional Subordinated Bonds” means any of the bonds of the Authority authenticated and delivered under and pursuant to Section 303, and any bonds issued in lieu of or in substitution for said bonds pursuant to Section 414, Section 416, Section 705 or Section 906.

“Aggregate Debt Service” shall have the meaning assigned to such term in the Junior Bond Resolution.

“Annual Budget” means the Authority’s annual budget, as amended or supplemented, adopted or in effect for a particular Fiscal Year pursuant to Section 608.

“Annual Charges” shall have the sum or sums of money paid or to be paid by the Township to the Authority pursuant to the Service Agreement.

“Authority” means The Washington Township Municipal Utilities Authority, a public body politic and corporate organized and existing under the Act and created by virtue of an ordinance of the Township entitled “An Ordinance Creating and Establishing The Washington Township Municipal Utilities Authority”, adopted by the governing body of the Township on December 6, 1965, and its successors and assigns.

“Authorized Authority Representative” means the Chairman, the Vice Chairman, the Secretary, the Treasurer, any other member of the Authority, the Executive Director, or any other person or persons at the time designated to act on behalf of the Authority by written certificate furnished to the Trustee containing the specimen signatures of such person or persons and signed on behalf of the Authority by its duly authorized agent on which written certificate the Trustee may rely until otherwise notified by the Authority.

“Authorized Newspapers” means a newspaper customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York.

“Bond” or “Subordinated Bond” means any of the bonds of the Authority authenticated and delivered under and pursuant to the Subordinated Bond Resolution.

“Bond Anticipation Note” or “Note” shall mean any bond anticipation note issued, authenticated and delivered pursuant to Section 307.

“Bond Counsel” shall mean an attorney or a firm of attorneys appointed by the Authority having a national reputation in the field of municipal finance whose opinions are generally accepted by purchasers of municipal bonds.

“Bondholder” or the term “Holder” or “holder” or “Owner” or any similar term, when used with reference to a Bond or Bonds, that is issued pursuant to the Subordinated Bond Resolution means any person in whose name such Bond is recorded as the registered owner or beneficial owner of any Outstanding Bond or Bonds which shall at the time be registered or be in book-entry form.

“Bond Service” for any period means, as of any date of calculation and with respect to any particular period of time and to any Series of Bonds, an amount equal to the sum of (a) all interest accruing during such period on such Series of Bonds, except any part thereof the payments of which has been provided for by the deposit of proceeds of Bonds in the Subordinated Bond Service Fund or by payments of investment income required to be transferred into the Subordinated Bond Service Fund from the Subordinated Sinking Fund, and (b) that portion of each Principal Installment for such Series of Bonds which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series of Bonds or, if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of issuance of the Bonds of such Series, whichever is later. Such interest and Principal Installments for such Series shall be calculated on the assumption that Bonds will after said date of calculation cease to be Outstanding by reason, but only by reason, of the payment when due and application in accordance with the Resolution of Principal Installments payable at or after said date of calculation.

“Bond Service Requirement” means, as of any particular date of calculation and with respect to Bonds Outstanding on said date of calculation except Bond Anticipation Notes, the amount of money equal to any unpaid interest then due, plus any interest to become due at or before a principal payment date, as such date is established in Section 407, next ensuing, plus any unpaid principal then due plus any principal maturing at or before such principal payment date next ensuing.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

“Construction Fund” means the Fund so designated which is established and created by Section 502.

“Consulting Engineer” shall mean the independent engineer(s) or engineering firm(s) at the time employed by the Authority to perform and carry out the duties imposed on such engineers by the Resolution and having experience with respect to the construction and operation of sewer and water systems or facilities of comparable size and character as those forming the parts of the Utility

System as may from time to time be employed by the Authority in accordance with the provisions of the Resolution.

“Consulting Engineer’s Certificate” means an opinion signed by the Consulting Engineer.

“Cost of Acquisition and Construction,” shall mean, with respect to the Utility System or any part thereof, the costs, expenses and liabilities paid or incurred or to be paid or incurred by the Authority in connection with the planning, engineering, designing, acquiring, constructing, installing, financing, operating, maintaining, retiring or disposing of the Utility System or any part thereof and the obtaining of all governmental approvals, certificates, permits and licenses with respect thereto, including, but not limited to, all costs relating to the acquisition, construction or installation of the Utility System or any part thereof and the cost of any demolitions or relocations necessary in connection therewith, any good faith or other similar payment or deposits required in connection with the purchase of any part of the Utility System, the cost of acquisition by or for the Authority of real and personal property or any interests therein, costs of physical construction of any part of the Utility System and costs of the Authority incidental to such construction or acquisition, all costs relating to injury and damage claims relating to the Utility System or any part thereof, the cost of any indemnity or surety bonds and premiums on insurance, preliminary investigation and development costs, engineering fees and expenses, contractors’ fees and expenses, the costs of labor, materials, equipment and utility services and supplies, legal and financial advisory fees and expenses, interest and financing costs, including, without limitation, bank commitment and letter of credit fees and bond insurance and indemnity premiums, fees and expenses of the Fiduciaries, administration and general overhead expense and costs of keeping accounts and making reports required by the Resolution prior to or in connection with the completion of construction of the Utility System or any part thereof, amounts, if any, required by the Resolution to be paid into the Subordinated Bond Service Fund to provide, among other things, for interest accruing on Bonds, payments when due (whether at the maturity of principal or the due date of interest or upon redemption) on any indebtedness of the Authority, including Bond Anticipation Notes, incurred in respect of any of the foregoing, and working capital and reserves therefor, and all federal, state and local taxes and payments in lieu of taxes legally required to be paid in connection with the Utility System or any part thereof and shall include reimbursements to the Authority for any of the above items theretofore paid by or on behalf of the Authority. It is intended that this definition of Cost of Acquisition and Construction be broadly construed to encompass all costs, expenses and liabilities of the Authority related to the Utility System or any part thereof which on the effective date of the Resolution or in the future shall be permitted to be funded with the proceeds of Bonds pursuant to the provisions of State law.

“Event of Default” shall have the meaning set forth in Article VIII.

“Existing Facilities” shall mean the Sewerage System and the Water System as existing on the date of initial issuance and delivery of the 2024 Bonds.

“Fiduciary” means any Trustee, a Registrar, the Paying Agent, any bond registrar, transfer or fiscal agent or a Paying Agent.

“Fiscal Year” means the period of twelve (12) months period commencing at 12:01 a.m. on July 1 of each year and ending at 12:01 a.m. the succeeding July 1, or, in the discretion of the

Authority, any other twelve (12) month period corresponding to the then current fiscal year of the Authority.

“Insurance Consultant” shall mean an insurance broker, firm, corporation or consultant having a favorable reputation for experience with respect to insuring or recommending insurance coverage relating to the construction and operation of sewer and water systems or facilities of comparable size and character as those forming the parts of the Utility System as may from time to time be employed by the Authority in accordance with the Resolution.

“Investment Obligations” means and include any of the following securities, if and to the extent the same are at the time legal for investment of the Authority’s funds:

(i) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any of the Federal agencies set forth in clause (iii) below to the extent unconditionally guaranteed by the United States of America;

(ii) 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 (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bond for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) hereof which fund 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 redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate;

(iii) bonds, debentures, or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America;

(iv) direct and general obligations of any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, provided that at the time of their purchase hereunder such obligations are rated in the two highest rating categories by Moody’s or S&P’s;

(v) obligations of any state of the United States of America or any political subdivision of any state of the United States of America or any agency or instrumentality of any such state or political subdivision which shall be rated in the highest rating category by Moody’s or by S&P’s;

(vi) direct and general obligations of the State to the payment of the principal of and interest on which the full faith and credit of the State are pledged or any bonds or other obligations which as to principal and interest are unconditionally guaranteed by the State, provided that at the time of their purchase hereunder such obligations are rated in the two highest rating categories by Moody's or S&P's;

(vii) certificates or other instruments that evidence ownership of the right to payments of principal of or interest on obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision, provided that such obligations shall be held in trust by the Trustee or another bank or trust company or a national banking association meeting the requirements for a successor Trustee under Section 1110 of the Resolution, and provided further that the payments of all principal of and interest on such certificates or such obligations shall be fully insured or unconditionally guaranteed by, or otherwise unconditionally payable pursuant to a credit support arrangement provided by, one or more financial institutions or insurance companies or associations which shall be rated in the highest rating category by Moody's or S&P's, or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bonds, such insurance policy shall result in such municipal bonds being rated in the highest rating category by Moody's or S&P's;

(viii) certificates that evidence ownership of the right to payments of principal or interest on obligations described in clause (i), provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under Section 1110 of the Resolution;

(ix) certificates of deposit, whether negotiable or non-negotiable, and banker's acceptances of the Trustee or any bank in the United States whose short term certificates of deposit have a rating on the date of investment (not considering any rating on the holding company, if any, of such bank) not lower than the second highest short term rating category by Moody's or S&P's;

(x) commercial paper, other than that issued by bank holding companies, rated on the date of investment in the highest short term rating category by Moody's or by S&P's;

(xi) any repurchase agreement which by its terms matures not later than 30 days from its date of execution with any bank or trust company organized under the laws of any state of the United States of America or any national banking association, including the Trustee, or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any of or more of the securities described in clauses (i) and (iii) above which securities shall at all times have a market value (exclusive of accrued interest) not less than one hundred two percent (102%) of the full amount of the repurchase agreement, and provides that deficiencies therein shall made-up within five days, dates of maturity not in excess of 7 years and be delivered to another bank or trust company organized under the laws of any state of the United States of America or any national banking association, as custodian;

(xii) shares of an Investment Company, organized under the Investment Company Act of 1940 as amended, which invests its assets exclusively in obligations of the type described in clause (i), (iii), (v), (viii), (ix), (x) or (xi), including, without limitation, those marketed by the Trustee or for which the Trustee serve as investment advisor; and

(xiii) interests in the State of New Jersey Cash Management Fund or other similar common trust fund for which the Treasurer of the State is the custodian.

“Issue Date” means, with respect to Bonds of a particular Series, the date of the Bonds of such Series specified and determined in accordance with Section 204 or Section 302.

“Junior Bond Resolution” means the Utility System Revenue Bond Resolution of the Authority duly adopted on July 23, 1991, as amended and supplemented.

“Junior Lien Bonds” means the Utility System Revenue Bonds issued and outstanding from time to time by the Authority pursuant to the Junior Bond Resolution.

“Moody’s” shall mean Moody’s Investors Services, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, if any.

“Net Revenues” when used with respect to a period of time, means the excess (if any) of the Revenues for such period of time over the Operating Expenses for such period of time;.

“Operating Expenses” means all reasonable and necessary current expenses incurred by the Authority in connection with the operation and maintenance of the Utility System, including, without limiting the generality of the foregoing, all administrative, general and commercial expenses, insurance and surety bond premiums, payments to others for collection or disposal of sewage and other wastes or for provision or supply of water, engineering expenses, legal expenses, auditing expenses, payments to pension, retirement, health and hospitalization funds, any taxes which may be lawfully imposed on the Authority or its income or operations or the property under its control, ordinary and current rentals of equipment or other property, usual expenses of maintenance and repair and costs of service connections from mains to the curb or property lines, refunds of moneys lawfully due to others, and any other current expenses or payments required to be paid by the Authority under the provisions of the Junior Bond Resolution or the Resolution or by law, all to the extent properly and directly attributable to the Utility System, expenses in connection with the issuance of Bonds, any expenses or payments required under or pursuant to the Service Agreement, and the expenses, liabilities and compensation of any Fiduciary required to be paid hereunder, but not including any reserves for operation, maintenance or repair or any allowance for depreciation, amortization, interest on Bonds, or similar charges.

“Opinion of Bond Counsel” shall mean a written opinion signed by Bond Counsel.

“Outstanding,” when used with reference to Bonds and as of any particular date, describes only Subordinated Bonds theretofore and thereupon being authenticated and delivered except (a) any Subordinated Bond cancelled by the Trustee, or proven to the satisfaction of the Trustee to have been cancelled by the Authority or by any other Fiduciary, at or before said date, (b) any Subordinated Bond (or portion thereof) for the payment or redemption of which either (i) moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the

date of maturity or redemption date, or (ii) Investment Obligations or moneys, in the amounts, of the maturities and otherwise as described and required under the provisions of Section 1201, shall have theretofore been deposited with one or more of the Fiduciaries in trust for such payment or redemption (whether upon or prior to maturity or the redemption date of such Subordinated Bond), and, except in the case of a Subordinated Bond to be paid at maturity, of which notice of redemption shall have been given or provided for in accordance with Article VII, (c) any Subordinated Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Section 414, Section 418, Section 705 or Section 906 and (d) Bonds deemed to have been paid as provided in Section 1201(B).

“Paying Agent” means any paying agent for Bonds appointed by or pursuant to Section 403 or Section 1102, and its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to the Resolution.

“Pledged Funds” shall mean the right, title and interest of the Authority in and to the Revenues and all Funds and Accounts established under the Junior Bond Resolution including Investment Securities held in any such Funds and Accounts under the Junior Bond Resolution, together with all proceeds and revenues of the foregoing and all other moneys, securities or funds pledged for the payment of the principal or redemption price of and interest on the Senior Bonds and the Authority’s other obligations under the Junior Bond Resolution and the Resolution in accordance with the terms and provisions of the Senior Bond Resolution and the Resolution.

“Pledged Revenues” means (i) all amounts deposited from time to time in the Subordinated Debt Fund established under the Junior Bond Resolution, (ii) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of Bonds, (iii) interest received or to be received on any moneys or securities held pursuant to the Resolution, and (iv) subject to the prior pledge under the Junior Bond Resolution, the Pledged Funds.

“Principal Installment” means, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding, (a) the principal amount of Bonds of such Series which mature on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Bonds of such Series, the sum of such principal amount of Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date plus such applicable redemption premiums, if any.

“Principal Office,” when used with respect to a Fiduciary, means the principal, or corporate trust, or head, or principal trust office of such Fiduciary situate in the city in which such Fiduciary is described as being located.

“Project Notes” shall mean project notes of the Authority issued and sold to the I-Bank to fund, on a temporary basis, the construction costs of the 2024 Project.

“Record Date” means, in respect of a particular Series of Bonds, unless otherwise provided in the Supplemental Resolution authorizing or determining the details of such Series of Bonds, the

fifteenth (15th) day (whether or not a business day) of the calendar month next preceding each interest payment date, in the event that the interest payment date is the first day of a month or the first (1st) day (whether or not a business day) of the calendar month next preceding each interest payment date in the event that the interest payment date is the fifteenth (15th) day of the month.

“Redemption Price” means, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Resolution;

“Registrar” means any registrar or bond registrar for Bonds appointed by or pursuant to Section 1102, and its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to the Resolution.

“Resolution” or “Subordinated Bond Resolution” means this Subordinated Bond Resolution as the same may from time to time be amended, modified or supplemented by a Supplemental Resolution or Resolutions.

“Revenue Fund” means the Fund so designated which is established and created by Section 502 of the Junior Bond Resolution.

“Revenues” shall mean (i) all Annual Charges and Service Charges and all fees, rents and charges and other income derived or to be derived by the Authority from or for the operation, use or services of the Utility System, (ii) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of Bonds, and (iii) interest received or to be received on any moneys or securities held pursuant to the Resolution and paid or required to be paid into the Revenue Fund.

“Senior Bond Resolution” shall mean a bond resolution adopted by the Authority on January 10, 1966, and entitled “Resolution Authorizing the Issuance of Revenue Bonds of the Washington Township Municipal Utilities Authority”

“Senior Lien Bonds” shall mean any bonds outstanding under the Senior Bond Resolution.

“Series,” when used with respect to less than all of the Bonds, means and refers to all of the Bonds authenticated and delivered on original issuance in a simultaneous transaction, regardless of variations in maturity, interest rate or other provisions, and any Bond thereafter authenticated and delivered in lieu of or substitution for any of such Bonds pursuant to Section 414, Section 416, Section 418, Section 705 or Section 906.

“Series Certificate” shall have the meaning provided therefor in Section 305 of this Resolution.

“Service Agreement” means the Service Agreement dated as of July 1, 1992 between the Authority and the Township, as amended and supplemented.

“Service Charges” means rents, rates, fees or other charges for direct or indirect connection with, or the use or services of, the Utility System which the Authority, under the provisions of

Sections 21, 22 or 23 of the Act, is or may be authorized to charge and collect with regard to persons or real property.

“Sewerage System” shall mean the plants, structures, buildings and other real and personal property acquired, constructed or operated or to be acquired, constructed or operated by the Authority for the purposes of the Authority, including sewers, conduits, pipelines, mains, pumping and ventilating stations, sewage treatment or disposal systems, and other plants, structures, boats, conveyances, and other real and personal property, and rights therein, and appurtenances necessary or useful and convenient for the collection, treatment, purification or disposal in a sanitary manner of any sewage, liquid or solid wastes, night soil or industrial wastes.

“Sinking Fund Installment” means the amount of money required by or pursuant to a Supplemental Resolution of the Authority as referred to in Section 207 or Section 302 to be paid by the Authority on a particular date toward the retirement of any particular Outstanding Bonds which mature on a single date in a Fiscal Year beginning after said particular date but does not include any amount payable by reason only of the maturity of a Bond, and, for all purposes hereof, said particular date is deemed to be the date when such Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said particular Outstanding Bonds are deemed to be the Bonds entitled to such Sinking Fund Installment and for which such Sinking Fund Installment is established and is, or is to be, paid.

“S&P” shall mean Standard & Poor’s Rating Service, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

“State” means the State of New Jersey.

“Subordinated Bond Service Fund” means the Fund so designated which is established and created by Section 502.

“Subordinated Bonds” means any of the bonds of the Authority authenticated and delivered under and pursuant to Section 209 and Section 303, being particularly the bonds of the Authority authorized in Section 203, and any bonds issued in lieu of or substitution for said bonds pursuant to Section 414, Section 416, Section 418, Section 705 or Section 906.

“Subordinated Debt Fund” means the Fund so designated which is established and created by Section 502 of the Junior Bond Resolution.

“Subordinated General Fund” means the Fund so designated which is established and created by Section 502.

“Subordinated Sinking Fund” means the Fund so designated which is established and created by Section 502.

“Supplemental Resolution” means any resolution of the Authority amending or supplementing the Resolution adopted and becoming effective in accordance with the terms of Article VIII.

“Tax Certificate” shall mean the Non-Arbitrage Certificate, executed by an Authorized Authority Representative in connection with the initial issuance and delivery of a Series of Bonds that are tax-exempt under the Code, as such Tax Certificate may be amended from time to time.

“Township” means the Township of Washington, County of Gloucester, New Jersey.

“Trust” means the New Jersey Environmental Infrastructure Trust and its successor and assigns doing business as the New Jersey I-Bank.

“Trustee” means the bank or trust company appointed as Trustee for the Bonds pursuant to Section 1101 of the Resolution, and having the duties, responsibilities and rights provided for in the Resolution, and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant to the Resolution.

“2024 Bonds” means the 2024 Series A Bonds and the 2024 Series B Bonds and any Project Notes issued in anticipation of the 2024 Bonds.

“2024 Escrow Agreement” shall mean the Escrow Agreement by an among the Authority, the Trust, the State and the bank or trust company appointed to serve as escrow agent by the Trust.

“2024 Fund Loan” shall have the meaning as set forth in Section 206 hereof.

“2024 Fund Loan Agreement” shall have the meaning as set forth in Section 207 hereof.

“2024 Project” means means the funding of capital items within the System, including hard costs and soft costs is not expected to exceed \$6,500,000 to fund the repainting of the Authority’s water tanks and replacement of a deteriorated section of sewer main and including contingencies, miscellaneous costs and change orders for the above projects as well as fees and expenses imposed by the I-Bank and the State for participation in the financing program and to pay the costs of issuing the 2024 Bonds.

“2024 Series A Bonds” means the Authority's Subordinated Utility System Revenue Bonds, 2024 Series A, authorized by Section 203 of this Resolution.

“2024 Series B Bonds” means the Authority's Subordinated Utility System Revenue Bonds, 2024 Series B, authorized by Section 203 of this Resolution.

“2024 Trust Loan” shall have the meaning as set forth in Section 206 hereof.

“2024 Trust Loan Agreement” shall have the meaning set forth in Section 207 hereof.

“Utility System” means the Additional Facilities and the Existing Facilities.

“Water System” shall mean the plants, structures, buildings and other real and personal property acquired, constructed or operated or to be acquired, constructed or operated by the Authority for the purposes of the Authority, including reservoirs, basins, dams, canals, aqueducts, standpipes, conduit, pipelines, mains, pumping stations, booster stations, water distribution systems, compensating reservoirs, waterworks or sources of water supply, wells, purification or

filtration plants or other plants and works, connections, rights of flowage or diversion, and other plants, structures, boats, conveyances, and other real and personal property, and rights therein, and appurtenances necessary or useful and convenient for the accumulation, supply or distribution of water.

Words importing the masculine gender include every other gender.

Words importing the maturity or payment of a Bond do not include or connote the becoming due of such Bond upon redemption thereof prior to maturity pursuant to the Resolution or the payment of the Redemption Price thereof.

Words importing persons include firms, associations and corporations.

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

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

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

SECTION 106. Captions and Index. Any captions, titles or headings preceding the text of any Article or Section herein and any table of contents or index attached to the Subordinated Bond Resolution or any copy thereof are solely for convenience of reference and shall not constitute part of the Subordinated Bond Resolution or affect its meaning, construction or effect.

SECTION 107. Directions as to Publications. Whenever in the Resolution publications in successive weeks are referred to such successive weeks shall each be deemed to begin with Sunday and such publication shall be sufficient if made on any day or days of such successive weeks. Whenever in the Resolution publications in an Authorized Newspaper on successive dates are referred to or implied, such publications need not all be made in the same Authorized Newspaper and shall be sufficient if made on such successive dates in any Authorized Newspapers.

SECTION 108. Successors and Assigns. Whenever in the Resolution the Authority is named or referred to, it shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants and agreements by or on behalf of, and provisions for the benefit of, the Authority contained in the Resolution shall bind and inure to the benefit of such successors and assigns.

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

SECTION 110. Severability of Invalid Provision. If any one or more of the provisions, covenants or agreements in the Resolution on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such provision or provisions, covenant or covenants, agreement or agreements, shall be deemed separable from the remaining provisions, covenants and agreements, and shall in no way affect the validity of the other provisions of the Resolution.

ARTICLE II

INITIAL FINANCING

SECTION 201. The 2024 Project. The Authority does hereby determine to construct, acquire and operate the Additional Facilities constituting the 2024 Project.

SECTION 202. Estimated Cost of 2024 Project The estimated cost of the 2024 Project is \$6,500,000. Said estimated cost is inclusive of any discount to be incurred upon the sale of the Subordinated 2024 Bonds and of the costs of issuance of the Subordinated 2024 Bonds.

SECTION 203. Authorization of the 2024 Bonds.

A. In accordance with Section 25 and 26 of the Act and subject to and pursuant to the provisions of the Resolution, bonds of the Authority, each constituting a Bond as mentioned and described in the Subordinated Bond Resolution, are hereby authorized to be issued, in one or more Series, in the principal amount not to exceed \$6,500,000 for the purpose of raising funds to pay Costs of Acquisition and Construction of the 2024 Project.

B. There is hereby authorized an issue of Bonds under the Resolution which shall be designated and shall be distinguished from the Bonds of all other Series by the title, "Subordinated Utility System Revenue Bonds, 2024 Series A" and which shall be issued to the State.

C. There is hereby authorized an issue of Bonds under the Resolution which shall be designated and shall be distinguished from the Bonds of all other Series by the title, "Subordinated Utility System Revenue Bonds, 2024 Series B" and which shall be issued to the Trust.

D. The aggregate principal amount of the 2024 Series A Bonds and the 2024 Series B Bonds shall not exceed \$6,500,000.

E. All of said 2024 Bonds constitute, and each of such Bonds is part of, the Bonds hereby authorized to be issued in a principal amount not to exceed \$6,500,000, which are and shall be as in this Article II and by Article IV hereof set forth or otherwise determined.

F. The Paying Agent for the 2024 Bonds shall be The Bank of New York Mellon.

G. The 2024 Series A Bonds shall be issued in fully registered form, registered in the name of the State, and shall be issued in the denomination equal to the principal amount of the 2024 Fund Loan and in the form of one certificate, numbered "F-1".

H. The 2024 Series B Bonds shall be issued in fully registered form, registered in the name of the Trust, and shall be issued in the denomination equal to the principal amount of the 2024 Trust Loan and in the form of one certificate, numbered "T-1".

I. The Authority hereby determines that the Authorized Authority Representatives are each hereby designated and authorized to sell and to award the 2024 Bonds on behalf of the Authority to the purchaser(s) thereof, including the power to determine, among other things, (a) the principal amount of 2024 Bonds to be issued, (b) the principal amount of the 2024 Series A Bonds

and the 2024 Series B Bonds based upon the allocation of the 2024 Bonds by the Trust, (c) the time and the manner of sale of the 2024 Bonds, (d) the dated date and the maturity amounts of the 2024 Bonds and the provisions pertaining to redemptions thereof and/or Sinking Funds Installments established therefor, (e) the rate or rates of interest for the 2024 Bonds, (f) any additional series or subseries designation of the 2024 Series A Bonds and the 2024 Series B Bonds as shall be necessary to evidence one or more 2024 Trust Loans and 2024 Fund Loans to finance separate portions of the 2024 Project, and (g) such other terms and conditions as may be necessary or related to the sale of the 2024 Bonds; provided, however, that the aggregate principal amount of the 2024 Bonds shall not exceed \$6,500,000.

J. The sale and award of the 2024 Bonds by an Authorized Authority Representative shall be evidenced by the execution of a Series Certificate of the Authorized Authority Representative as of the date of the sale and the award of the 2024 Bonds and such Series Certificate shall be presented to the members of the Authority at the next regular meeting of the Authority following such sale and award as evidence of the terms and details of the sale of such 2024 Bonds.

SECTION 204. Date. The 2024 Bonds, shall be dated pursuant to the Series Certificate, and shall bear interest from such date (the "Issue Date") not more than forty (40) years prior to their maturity as shall prior to their authentication and delivery be specified and determined by the Series Certificate.

SECTION 205. Maturities. The 2024 Bonds shall mature on a date established pursuant to the Series Certificate.

SECTION 206. Interest Rates. The 2024 Bonds shall bear interest from their date at such rate or at such different rates per annum as (a) do not exceed any limitation thereon prescribed by law, and (b) shall prior to their authentication and delivery be specified and determined by the Series Certificate.

SECTION 207. Sinking Fund Installments. Toward the retirement of such 2024 Bonds maturing in any single year as shall prior to their authentication and delivery be specified and determined by the Series Certificate there shall be due and the Authority shall pay Sinking Fund Installments on the particular dates and in such several amounts as shall be specified and determined by such Series Certificate.

SECTION 208. Redemption. The 2024 Bonds shall be subject to redemption prior to their respective maturities to such extent, in such order, at such times, on such terms and conditions and at such Redemption Prices in conformity with Article VII and Section 411 hereof as shall prior to their authentication and delivery be specified and determined by the Series Certificate.

SECTION 209. Execution and Delivery. At such time as may be specified and determined by or pursuant to the Series Certificate, 2024 Bonds in such principal amounts and of such maturities as shall prior to their authentication and delivery be specified and determined by the Series Certificate, shall from time to time be executed by or on behalf of the Authority in accordance with Section 412 and be delivered to the Registrar for authentication and thereupon shall be authenticated by the Registrar and, upon fulfillment of the conditions set forth or referred

to in Section 305, delivered by the Trustee to the Authority or upon its order as authorized by the Series Certificate.

SECTION 210. Application of Proceeds of 2024 Bonds and Other Funds.

A. The proceeds of the 2024 Series A Bonds shall be maintained by the State and applied to the payment of the 2024 Project in accordance with the terms of the Resolution and the 2024 Fund Loan Agreement. The proceeds of the 2024 Series B Bonds shall be maintained by the Trust and applied to the payment of the 2024 Project in accordance with the terms of the Resolution and the 2024 Trust Loan Agreement.

B. The Authority shall file with the Trustee a copy of requisitions submitted to the State for payment of Costs of Acquisition and Construction of the 2024 Project, which requisitions shall be signed by an Authorized Authority Representative stating in respect of each payment (a) the name and address of the person, firm or corporation to whom payment is due, (b) the amount to be paid, (c) the particular item of the Cost of Acquisition and Construction to be paid and that the cost or the obligation in the stated amount properly chargeable to the Costs of Acquisition and Construction of the 2024 Project, and (d) such additional information as shall be required pursuant to the 2024 Fund Loan Agreement and the 2024 Trust Loan Agreement.

C. The Authority shall deliver to the Trustee on each March 1 and September 1, for the period beginning on the date of commencement of construction of the 2024 Project and continuing until the date which is six (6) months after delivery of the certificate of completion of the 2024 Project, a schedule detailing the dates and amounts of all requisitions submitted by the Authority to the Trust and the State pursuant to the 2024 Trust Loan Agreement and the 2024 Fund Loan Agreement, respectively, for the prior six month period.

D. The Authority shall also provide upon the reasonable request of the Trustee, information as may be necessary and available to the Authority in connection with the outstanding principal amount of the 2024 Trust Loan and the 2024 Fund Loan.

SECTION 211. Authorization of the Financing Documents.

The Authority hereby ratifies and confirms the Authority's applications for loans for eligible costs of the 2024 Project from the Trust and the State and the associated costs of the Trust's financing in connection therewith (the "2024 Trust Loan" and "2024 Fund Loan," respectively). All actions heretofore taken by or on behalf of the Authority in respect of its applications for the 2024 Trust Loan and the 2024 Fund Loan are hereby ratified, confirmed and reconfirmed

The 2024 Trust Loan Agreement, the 2024 Fund Loan Agreement and the 2024 Escrow Agreement (collectively, the "Financing Documents") are hereby authorized to be executed and delivered on behalf of the Authority by either the Chairman, Vice Chairman and Executive Director (each an "Authorized Officer") in substantially the forms presented at this meeting, with such changes as the Authorized Officer, in their respective sole discretion, after consultation with counsel and any advisors to the Authority (collectively, the "Authority Consultants") and after further consultation with the Trust, the State and their representatives, agents, counsel and advisors (collectively, the "Program Consultants", and together with the Authority Consultants, the "Consultants"), shall determine, such determination to be conclusively evidenced by the execution

of such Financing Documents by an Authorized Officer as determined hereunder. The Secretary of the Authority is hereby authorized to attest to the execution of the Financing Documents by an Authorized Officer of the Authority as determined hereunder and to affix the corporate seal of the Authority to such Financing Documents.

The Authorized Officers are hereby further severally authorized to (i) execute and deliver, and the Secretary of the Authority is hereby further authorized to attest to such execution and to affix the corporate seal of the Authority to, any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Officers or the Secretary of the Authority, as applicable, in their respective sole discretion, after consultation with the Consultants, to be executed in connection with the execution and delivery of the Financing Documents and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Authorized Officers deem necessary, desirable or convenient in relation to the execution and delivery thereof.

SECTION 212. Authorization of the Form of 2024 Bonds. Subject to the provisions of the Resolution, the form of the 2024 Bonds shall be of substantially the following tenor:

[FORM OF FRONT SIDE OF THE 2024 SERIES A BONDS]

UNITED STATES OF AMERICA
STATE OF NEW JERSEY
COUNTY OF BURLINGTON
THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

SUBORDINATED UTILITY SYSTEM REVENUE BOND, 2024 SERIES A

No. F-1

Registered Owner: State of New Jersey

FOR VALUE RECEIVED, THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY, a public body corporate and politic, with corporate succession duly created and validly existing under the Constitution and laws of the State of New Jersey (the "Authority"), hereby promises to pay to the order of the State of New Jersey (the "State") the principal amount of [] DOLLARS (\$), or such lesser amount as shall be disbursed to the Authority under the Loan Agreement (as hereinafter defined) at the times and in the amounts determined as provided in the Loan Agreement, plus any other amounts due and owing under the Loan Agreement at the times and in the amounts as provided therein. The Authority irrevocably pledges its Pledged Revenues (as defined in the Loan Agreement) for the punctual payment of the principal of, and all other amounts due under, this Series 2024A Bond and the Loan Agreement according to their respective terms.

This Series 2024A Bond is issued pursuant to the Municipal and County Utilities Authorities Law, P.L. 1957, c.183 (N.J.S.A. 40:14B-1, et seq.), the Local Authorities Fiscal Control Law, P.L. 1983, c.313 (N.J.S.A. 40A:5A-1, et seq.), and other applicable laws and the Loan Agreement dated as of _____, 2024, by and between the State, acting by and through the New Jersey Department of Environmental Protection, and the Authority (the "Loan Agreement"). This Series 2024A Bond is issued in consideration of the loan made thereunder (the "Loan") and to evidence the payment obligations of the Authority set forth therein. Payments under this 2024 A Bond shall, except as otherwise provided in the Loan Agreement, be made directly to the Loan Servicer (as defined in the Loan Agreement) for the account of the State. This Series 2024A Bond is subject to assignment or endorsement in accordance with the terms of the Loan Agreement. All of the terms, conditions and provision of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Series 2024A Bond.

Pursuant to the Loan Agreement, disbursements shall be made by the State to the Authority upon the receipt by the State of requisitions from the Authority executed and delivered in accordance with the requirements set forth in Section 3.02 of the Loan Agreement.

This Series 2024A Bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Authority to make the payment required hereunder shall be absolute and unconditional without any defense or right of set-off, counterclaim or recoupment by reason of any default by the State under the Loan Agreement or under any other agreement

between the Authority and the State or out of any indebtedness or liability at any time owing to the Authority by the State or for any other reason.

This Series 2024A Bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. To the extent allowed by applicable law, this Series 2024A Bond may be subject to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

To the extent provided by law, this Series 2024A Bond is junior and subordinate in all respect to any Bonds of the Authority issued on even date herewith to the New Jersey Environmental Infrastructure Trust as to lien on and source and security for payment from the Pledged Funds of the Authority.

IN WITNESS WHEREOF, the Authority has caused this Series 2024A Bond to be duly executed, sealed and delivered, as of this [] day of [], 2024.

(SEAL)

THE WASHINGTON TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY

ATTEST: By: _____

By: _____

[FORM ON FRONT SIDE OF THE 2024 SERIES B BONDS]

UNITED STATES OF AMERICA
STATE OF NEW JERSEY
COUNTY OF BURLINGTON
THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

SUBORDINATED UTILITY SYSTEM REVENUE BOND, 2024 SERIES B

No. T-1

Registered Owner: New Jersey Environmental Infrastructure Trust

FOR VALUE RECEIVED, THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY, a public body corporate and politic, with corporate succession duly created and validly existing under the Constitution and laws of the State of New Jersey (the "Authority"), hereby promises to pay to the order of the New Jersey Environmental Infrastructure Trust (the "Trust") (i) the principal amount of _____ Dollars (\$ _____), or such lesser amount as shall be determined in accordance with Section 3.01 of the Loan Agreement (as hereinafter defined), at the times and in the amounts determined as provided in the Loan Agreement, together with (ii) Interest on the Loan constituting the Interest Portion, the Administrative Fee and any late charges incurred under the Loan Agreement (as such terms are defined in the Loan Agreement) in the amount calculated as provided in the Loan Agreement, payable on the days and in the amounts and as provided in the Loan Agreement, which principal amount and Interest Portion of the Interest on the Loan shall, unless otherwise provided in the Loan Agreement, be payable on the days and in the amounts as also set forth on Exhibit A attached hereto under the column headings respectively entitled "Principal" and "Interest," plus (iii) any other amounts due and owing under the Loan Agreement at the times and in the amounts as provided therein. The Authority irrevocably pledges its Pledged Funds (as defined in the Loan Agreement) for the punctual payment of the principal of and the Interest on this Series 2024B Bonds (as defined in the Loan Agreement), and for the punctual payment of all other amounts due under this Series 2024B Bond and the Loan Agreement according to its terms.

This Series 2024B Bond is issued pursuant to the Municipal and County Utilities Authorities Law, P.L. 1957, c.183 (N.J.S.A. 40:14B-1, et seq.), the Local Authorities Fiscal Control Law, P.L. 1983, c.313 (N.J.S.A. 40A:5A-1, et seq.), and other applicable laws and the Loan Agreement dated as of _____, 2024, by and between the Trust and the Authority (the "Loan Agreement"). This Series 2024B Bond is issued in consideration of the loan made under the Loan Agreement (the "Loan") to evidence the payment obligations of the Authority set forth in the Loan Agreement. This 2024 B Bond has been assigned to _____, as trustee (the "State Trustee") under the "Environmental Infrastructure Bond Resolution, Series 2024[]" adopted by the Trust on _____, 2024, as the same may be amended and supplemented in accordance with the terms thereof (the "Bond Resolution"), and payments hereunder shall, except as otherwise provided in the Loan Agreement, be made directly to the Loan Servicer (as defined in the Loan Agreement) for the account of the Trust pursuant to such assignment. Such assignment has been made as security for the payment of the Trust Bonds (as defined in the Loan Agreement) issued to finance or refinance the Loan and as otherwise described in the Loan Agreement. This Series 2024B Bond is subject to further assignment or endorsement in accordance with the terms of the Bond Resolution and the

Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Series 2024B Bond.

Pursuant to the Loan Agreement, disbursements shall be made by the State Trustee to the Authority, in accordance with written instructions of the Trust, upon the receipt by the Trust and the State Trustee of requisitions from the Authority executed and delivered in accordance with the requirements set forth in Section 3.02 of the Loan Agreement.

This Series 2024B Bond is entitled to the benefits and is subject to the conditions of the Local Agreement. The obligations of the Authority to make the payments required hereunder shall be absolute and unconditional without any defense or right of set-off, counterclaim or recoupment by reason of any default by the Trust under the Loan Agreement or under any other agreement between the Authority and the Trust or out of any indebtedness or liability at any time owing to the Authority by the Trust of for any other reason.

This Series 2024B Bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. To the extent allowed by applicable law, this Series 2024B Bond is subject to acceleration under the terms and conditions, and in the amounts, provided in section 5.03 of the Loan Agreement.

IN WITNESS WHEREOF, the Authority has caused this Series 2024B Bond to be duly executed, sealed and delivered, as of this [] day of [], 2024.

(SEAL)

THE WASHINGTON TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY

ATTEST:

By: _____

By: _____

[TO BE PRINTED ON THE REVERSE SIDE OF ALL BONDS]

This Bond is one of a duly authorized series of Bonds of the Authority designated "Subordinated Utility System Revenue Bonds, Series ____" (herein called the "2024 Series ____ Bonds"), in the aggregate principal amount of \$_____, issued under and in full compliance with the Constitution and laws of the State of New Jersey, including, without limitation, the Municipal and County Utilities Authorities Law, constituting Chapter 183 of the Laws of 1957 of the State of New Jersey, approved August 22, 1957, as amended and supplemented (herein called the "Act"), and under and pursuant to a resolution adopted by the Authority on July 16, 2024 entitled "Subordinated Utility System Revenue Bond Resolution", as amended and supplemented (said Resolution as hereinafter supplemented or amended being herein called the "Resolution").

As provided in the Resolution, the 2024 Series ____ Bonds, and all other Bonds issued under the Resolution on a parity with the 2024 Series ____ Bonds (herein collectively called the "Bonds") are special obligations of the Authority payable solely from and secured as to payment of the principal and redemption price thereof, and interest thereon, in accordance with their terms and the provisions of the Resolution solely by the Pledged Revenues (as defined in the Resolution). Copies of the Resolution are on file at the office of the Authority and at the principal corporate trust office of The Bank of New York Mellon, as Trustee under the Resolution, or its successor (herein called the "Trustee"), and reference is hereby made to the Act and to the Resolution and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, the terms and provisions upon which this Bond shall cease to be entitled to any lien, benefit or security under the Resolution and for the other terms and provisions thereof. All covenants, agreements and obligations of the Authority under the Resolution may be discharged and satisfied at or prior to the maturity or redemption of this Bond if moneys or certain specified securities shall have been deposited with the Trustee.

As provided in the Resolution, Bonds may be issued from time to time pursuant to Supplemental Resolutions in one or more Series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. The aggregate principal amount of Bonds which may be issued under the Resolution is not limited, and all Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution, or any resolution amendatory thereof or supplemental thereto, may be modified or amended by the Authority, with the written consent of the owners of at least a majority in principal amount of the Bonds Outstanding under the Resolution at the time such consent is given, and, in case less than all of the several Series of Bonds then Outstanding are affected thereby, with such consent of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding under the Resolution, the consent of the owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of outstanding

Bonds. No such modification or amendment shall permit a change in the terms of redemption (including sinking fund installments) or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee or of any Paying Agent without its written assent thereto.

This Bond is transferable, as provided in the Resolution, only upon the registration books of the Authority kept for that purpose at the above mentioned office of the Trustee, as Registrar, by the Registered Owner hereof in person, or by such Registered Owner's attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered owner or such Registered Owner's duly authorized attorney, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Authority, the Trustee and any Paying Agent may deem and treat the Registered Owner as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The principal, redemption price, if any, and interest on the 2024 Series ___ Bonds are payable solely from the Pledged Revenues and the Bonds, including the 2024 Series ___ Bonds, are not and shall not be in any way a debt or liability of the State of New Jersey or the Township of Washington or of any other municipality in the State of New Jersey and do not and shall not create or constitute any indebtedness, liability or obligation of the State of New Jersey or of the Township of Washington or of any other municipality in the State of New Jersey, either legal, moral or otherwise.

[TO BE PRINTED ON REVERSE SIDE OF ALL 2024 BONDS]

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(please print or typewrite name and address of transferee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

In the presence of:

NOTICE: The signature of this assignment must correspond with the name as written upon the face of the bond in every particular, without alteration or enlargement or any change whatsoever.

[At the discretion of the Authority, an approving opinion of Bond Counsel may be printed on the reverse side of the 2024 Bonds.]

SECTION 213. Initial Costs may be financed from Project Notes.

A. Prior to the issuance of the 2024 Bonds, the initial costs of the 2024 Project may be financed through Project Notes of the Authority. The terms of the Project Notes shall be determined by an Authorized Authority Representative and shall be evidenced by the execution of an Award Certificate dated as of the date of the sale and the award of the 2024 Project Notes and such Award Certificate shall be presented to the members of the Authority at the next regular meeting of the Authority following such sale and award as evidence of the terms and details of the sale of such 2024 Project Notes; provided however that (i) the aggregate principal amount of the 2024 Bonds shall not exceed \$6,500,000, (ii) each Bond Anticipation Note shall mature not later than three (3) years after the date of original issuance thereof, and (iii) the Authority to refund such 2024 Project Notes through the issuance of the 2024 Bonds.

B. The form of the 2024 Project Note shall be substantially in the form set forth in Exhibit B, together with such changes as may be required by the New Jersey Infrastructure Bank.

ARTICLE III

ADDITIONAL FINANCING

SECTION 301. Authorized Purposes of Additional Subordinated Bonds. Bonds of the Authority, other than and in addition to the 2024 Bonds and each constituting an Additional Subordinated Bond as mentioned and described in the Subordinated Bond Resolution, may be authenticated and delivered from time to time in accordance with the provisions of this Article for any one of the following purposes:

(A) Raising funds to pay all or a portion of the Costs of Construction and Acquisition of any part of the Utility System, including the Costs of Acquisition and Construction of any Additional Facilities; or

(B) Refunding any Outstanding Bonds or Senior Bonds ("Refunding Bonds").

SECTION 302. Authorization of Additional Subordinated Bonds. Additional Subordinated Bonds shall be issued only after their authorization in accordance with the Resolution by a Supplemental Resolution which shall specify and determine, as the purpose for which such Bonds are to be issued, a purpose described in clause (1) or clause (2) of Section 301, and shall specify and determine:

(1) The authorized principal amount, designation and Series of such Bonds;

(2) The purpose for which such Series of Bonds is being issued;

(3) The dates and amounts of the maturities of such Bonds, the redemption privileges (if any) of the Authority with respect to such Bonds, and the amount and date of each Sinking Fund Installment (if any) for the retirement of any of such Bonds;

(4) The Issue Date of such Bonds;

(5) The rate or rates of interest or maximum rate of interest to be borne by such Bonds;

(6) If applicable, the estimated costs of the Additional Facilities being financed by such Series of Bonds;

(7) The denominations of, and the manner of dating, numbering or lettering the Bonds of such Series;

(8) The Paying Agent or Paying Agents and the place or places of payment of the principal and Redemption Price, if any, of and interest on the Bonds of such Series;

(9) If so determined by the Authority, provisions for the sale of the Bonds of such Series;

(10) The form of the Bonds of such Series and the form of the Trustee's certificate of authentication, which forms shall be, respectively, substantially in the forms set forth in Section 1208 of the Resolution, with such variations, omissions and insertions as are required or permitted by the Resolution;

(11) Whether the Bonds of such Series are to be book-entry bonds and the securities depositing therefor; and

(12) Such other matters and things as may be deemed necessary or appropriate by the Authority or as may be required by the Act for authorization of such Bonds.

SECTION 303. Execution and Delivery of Additional Subordinated Bonds. After their authorization by a Supplemental Resolution, Additional Subordinated Bonds in such principal amounts and of such maturities as shall prior to their authentication and delivery be specified and determined by a Supplemental Resolution, shall from time to time be executed by or on behalf of the Authority in accordance with Section 412 and be delivered to the Trustee or Registrar for authentication and thereupon shall be authenticated by the Trustee or Registrar and, upon fulfillment of the conditions (if any) set forth in such Supplemental Resolution and of the conditions set forth or referred to in Section 305, delivered by the Trustee to the Authority or upon its order as authorized by a Supplemental Resolution.

SECTION 304. Application of Proceeds of Additional Subordinated Bonds.

(A) The proceeds from the sale of Additional Subordinated Bonds issued for a purpose set forth in Section 301(A) shall, on the date of the delivery of such Bonds by the Trustee, be paid as follows:

(1) To the Trustee, to be held in such fund or funds of the Junior Bond Resolution as may be designated by the Trustee, the amount or amounts stated in the Certificate of an Authorized Authority Representative delivered pursuant to clause (1) of Section 306;

(2) To the Trustee, to be held in the Subordinated Bond Service Fund, the amount (if any) stated in the Certificate of an Authorized Authority Representative delivered pursuant to Clause (1) of Section 306;

(3) To the Trustee, to be held in such fund or funds as may be designated by the Authority in the Supplemental Resolution authorizing the Bonds of such Series, the amount or amounts stated in the Certificate of an Authorized Authority Representative delivered pursuant to clause (1) of Section 306; and

(4) To the Trustee, to be held in the Construction Fund, any balance of such proceeds remaining after the foregoing payments; provided however, if the Additional Subordinated Bonds are issued in connection with a Trust financing program, proceeds may be maintained in funds or accounts of the Trust and the State on behalf of the Authority, pending requisition, for payment of Costs of Acquisition and Construction of the Additional Facilities.

(B) The proceeds of sale of Additional Subordinated Bonds issued for a purpose set forth in Section 301(B) shall, on the date of the delivery of such Bonds by the Trustee, be paid as follows:

(1) To the Trustee, the amount which, when added to any other monies then held by the Trustee and available therefor, is sufficient in amount to effect payment or redemption of the Subordinated Bonds on the respective dates set forth in the Accountant's Certificate delivered pursuant to Section 307; and

(2) Into the Subordinated General Fund, any balance of such proceeds remaining after the foregoing payment.

SECTION 305. Conditions Precedent to the Delivery of any Bonds. Neither the Registrar nor the Trustee shall deliver any of the Bonds of any Series upon original issuance unless (a) simultaneously therewith all of the Bonds of such Series shall be so delivered and (b) theretofore or simultaneously therewith there shall have been filed with or delivered to the Trustee:

(1) A copy of the Subordinated Bond Resolution, certified by the Secretary;

(2) A copy of every Supplemental Resolution theretofore adopted by the Authority, certified by the Secretary;

(3) A copy of the Supplemental Resolution authorizing the Bonds of such Series, certified by an the Secretary;

(4) In the case of the 2024 Bonds and in the case of any Supplemental Resolution which delegates to an Authorized Authority Representative the power to specify the information set forth in Section 302, a certificate of such Authorized Authority Representative dated the date of delivery of the Bonds upon original issuance which specifies and sets forth such information (the "Series Certificate");

(5) The written order of the Authority as to the delivery of the Bonds of such Series, signed by an Authorized Authority Representative;

(6) An Opinion of Bond Counsel, stating that (i) the Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, and creates the valid pledge which it purports to create of the Pledged Revenues, subject to the provisions of the Resolution permitting the application thereof for or to the purposes and on the terms and conditions set forth in the Resolution, (ii) that such Bonds are validly authorized in order to finance the enlargement, extension, alteration or improvement of the Utility System or renewal or replacement of part thereof or for refunding, and (iii) that the Authority is duly authorized to issue such Bonds and, upon the execution, authentication and delivery thereof, such Bonds will be duly and validly issued in accordance with law and the Resolution and will constitute valid and binding obligations of the Authority entitled to the benefits of the Resolution;

(7) An Opinion of Bond Counsel stating that all conditions precedent to the authentication of the Bonds by the Trustee upon original issuance have been satisfied and that the Trustee may lawfully authenticate the Bonds; and

(8) Except in the case of the 2024 Bonds, a Certificate of an Authorized Authority Representative stating that no Event of Default has occurred and is continuing under the Resolution.

SECTION 306. Conditions Precedent Related to Refunding. Subject to the conditions set forth or referred to in Section 305, the Trustee shall authenticate and deliver to the Authority or upon its order the Additional Subordinated Bonds to refund Outstanding Bonds or Senior Bonds only if theretofore or simultaneously therewith there are delivered or paid to the Trustee:

(1) Instructions to the Trustee, satisfactory to it, to give due notice of redemption, if applicable, of all the Bonds to be refunded on a redemption date or dates specified in such instructions, subject to the provisions of Section 1201 hereof;

(2) If the Bonds to be refunded are not by their terms subject to redemption or will not be redeemed within the next succeeding 60 days, instructions to the Trustee, satisfactory to it, to mail the notice provided for in Section 1201 to the Owners of the Bonds being refunded;

(3) Either (i) moneys (including moneys withdrawn and deposited pursuant to Section 504 and Section 505) in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Owners of the Bonds to be refunded, or (ii) Investment Obligations in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications and any moneys, as shall be necessary to comply with the provisions of Section 1201, which Investment Obligations and moneys shall be held in trust and used only as provided in Section 1201;

(4) An Accountant's Certificate stating that the Investment Obligations, if any, held in trust by the Trustee or any one or more Paying Agents pursuant to paragraph (3) above mature as to principal and interest in such amounts and at such times so as to provide moneys which, together with the moneys, if any, deposited with the Trustee or such Paying Agents pursuant to paragraph (3) above at the same time as such Investment Obligations, shall be sufficient to pay when due the principal or Redemption Price, if applicable, of and the interest due and to become due on the Bonds to be refunded on or prior to the redemption date or maturity date thereof, as the case may be; and

(5) Such further documents and moneys as are required by the provisions of Article VIII or any Supplemental Resolution adopted pursuant to Article VIII.

The proceeds, including accrued interest, of the Refunding Bonds of each such Series shall be applied simultaneously with the delivery of such Refunding Bonds for the purposes of making deposits in such Funds and Accounts under the Resolution as shall be provided by the Supplemental Resolution authorizing or determining the details of such Series of Refunding Bonds

and shall be applied to the refunding purposes thereof in the manner provided in said Supplemental Resolution.

SECTION 307. Bond Anticipation Notes. The Authority may by resolution and the execution and delivery of a Supplemental Resolution authorize the execution and delivery of Bond Anticipation Notes for the purpose of paying the cost of any Additional Facilities during the period of construction or acquisition thereof, including the payment of principal of and interest on Outstanding Bond Anticipation Notes, provided that each Bond Anticipation Note shall mature not later than three (3) years after the date of original issuance thereof. The Supplemental Resolution authorizing a Series of Bond Anticipation Notes shall contain a covenant of the Authority to refund such Series by the authorization and issuance of Bond Anticipation Notes or Additional Subordinated Bonds to the extent other available funds of the Authority are not applied to the payment of such Series. Any proceeds derived from the issuance of Bond Anticipation Notes pursuant to a Supplemental Resolution shall be paid by the Authority to the Trustee and deposited by the Trustee to a separate sub-account created within the Construction Fund.

ARTICLE IV

GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 401. General Description of Bonds and Limitation of Amount. The Bonds may, from time to time, after authorization in accordance with the Resolution, be issued in one or more Series upon compliance with the provisions of the Subordinated Bond Resolution and shall conform with the provisions and description set forth in this Article. The aggregate principal amount or type of Bonds which may be executed and authenticated and delivered is not limited except as provided in the Resolution or as may be limited or permitted by law.

SECTION 402. Limitation of Each Series of Bonds. After the authentication and delivery upon original issuance of the Bonds of a Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Section 414, Section 416, Section 418, Section 705 or Section 906.

SECTION 403. Certain Terms of Bonds of a Series. All Bonds of a Series shall be identical with respect to Issue Date and shall be payable, as to interest, principal and Redemption Price (if any), at the principal office of such Paying Agent, as shall prior to their authentication and delivery be specified, determined and appointed by a Supplemental Resolution. The Bonds of such Series in fully registered form shall be numbered separately from 1 consecutively upwards or in such manner as shall be acceptable to the Trustee. All Bonds in a Series of like maturity shall be identical in all respects except as to denominations, interest rate and distinguishing numbers and letters.

SECTION 404. Title of Bonds. Each Bond shall be entitled "Subordinated Utility System Revenue Bonds". All Bonds of a Series shall bear such further designation or designations, added to or incorporated in their title as may be necessary to distinguish them from the Bonds of every other Series, and each particular group of the bonds of said Series which mature on a single date, and for which Sinking Fund Installments are established in accordance with the Resolution, may also bear a further designation, added to or incorporated in their title, distinguishing them from other Bonds of said Series.

SECTION 405. Date and Interest Rate. Each Bond shall be dated as of, and shall bear interest at such rates all as provided for in a Supplemental Resolution.

SECTION 406. Interest Payment Dates. Interest on each Bond shall be payable on dates specified and determined in a Supplemental Resolution.

SECTION 407. Principal Payment Dates. Each Bond shall be expressed to mature on a date specified and determined in a Supplemental Resolution which is not more than the period permitted under the Act.

SECTION 408. Medium of Payment. The principal of, Redemption Price, if any, and interest on, each Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 409. Form and Denominations.

(A) All Subordinated Bonds shall be in fully registered form without coupons and payable to a named person or registered assigns. All Bonds fully registered in form (herein called "Registered Bonds") shall be issued in the denominations and shall each be in a form provided for in a Supplemental Resolution. The Bonds of any Series may contain or have endorsed thereon such provisions, specifications and description words as are (a) not inconsistent with the provisions of the Resolution, (b) necessary or desirable to comply with custom or the rules of any securities exchange or commission or brokerage board, and (c) authorized by a Supplemental Resolution duly adopted prior to the authentication and delivery thereof.

(B) In addition to registered Bonds, Bonds may be issued in book-entry form as book entry securities, in connection with which no physical instrument need be issued or delivered to Bondholders to establish ownership, if the Supplemental Resolution authorizing the issuance of such Bonds so specifies.

SECTION 410. Accrual and Payment of Interest. Each registered Bond shall bear interest from its date payable by check mailed to the registered owner thereof whose name shall be dated as of the date six (6) months preceding the interest payment date next following the date of delivery thereof and by the Trustee, except that (a) if such date of delivery shall be an interest payment date thereof, said Bond shall be dated as of such date of delivery, or (b) if there shall be no interest payment date thereof preceding such date of delivery, then, notwithstanding any of the foregoing provisions of this Section, such Bond shall be dated as of the Issue Date of such Bond, or (c) if interest on such Bond shall not have been paid in full, then, notwithstanding any of the foregoing provisions of this Section, such Bond shall be dated as of the date to which interest has been paid in full on such Bond.

SECTION 411. Redeemability of Bonds. Each Bond (if so determined by a Supplemental Resolution adopted prior to its authentication and delivery) shall be subject to redemption prior to maturity upon published notice as provided in Article VII hereof at such time or times, at such Redemption Price or Prices and upon such other terms of redemption as may be specified in or pursuant to said Supplemental Resolution and referred to on such Bond.

SECTION 412. Execution of Bonds. Each Bond shall be executed in the name and on behalf of the Authority by the manual or facsimile signature of its Chairman or Vice-Chairman, and its corporate seal shall be affixed, imprinted or reproduced thereon and thereto attested by the manual or facsimile signature of its Secretary. Any Bond may be signed, sealed or attested on behalf of the Authority by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of Issue Date of such Bond such person may not have held such office or that at the time when such Bond shall be authenticated and delivered such person may have ceased to hold such office.

SECTION 413. Authentication of Bonds. Each Bond shall bear thereon a certificate of authentication, substantially in the following form, duly completed by insertion of the distinguishing designation of the Series of which such Bond is a part and executed by or on behalf of the Registrar by manual signature of such person as shall be so duly authorized or directed by the Registrar:

"CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the within mentioned Resolution and is one of the Subordinated Utility System Revenue Bonds (Series....) of The Washington Township Municipal Utilities Authority.

(Corporate Name of Registrar)

Date of Authentication:

By _____
Authorized Signature"

Only such Bonds as shall bear thereon such certificate of authentication, duly executed, shall be entitled to any security, right or benefit under the Resolution. No Bond shall be valid or obligatory for any purpose unless such certificate of authentication upon such Bond shall have been duly executed by or on behalf of the Registrar. Such certification of authentication by the Registrar upon any Bond executed as herein provided on behalf of the Authority shall be conclusive and the only evidence that the Bond so authenticated has been duly authenticated and delivered under the Resolution and is entitled to the benefit of the Resolution.

SECTION 414. Interchangeability of Bonds. Registered Bonds, upon surrender thereof at the Principal Office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner thereof or his attorney duly authorized in writing, may be exchanged for an equal aggregate principal amount of registered Bonds of the same Series, designation, maturity and interest rate of any other authorized denominations.

SECTION 415. Transfer and Registry of Bonds and Agency Therefor. The Authority shall cause the Registrar to maintain and keep registry books for the registration and transfer of Bonds or ownership interests therein, and, upon presentation thereof for such purpose to said Registrar, and Registrar shall register or cause to be registered therein, and permit to be transferred thereon or to be exchanged, any Bond or ownership interests therein, entitled to registration, transfer or exchange. The Registrar is hereby appointed as agent of the Authority for such registration, transfer or exchange of Bonds.

SECTION 416. Transfer of Registered Bonds. Each registered Bond shall be transferable only upon the registration books of the Authority at the designated office of the Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof to the Registrar together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney. Upon the transfer of any such registered Bond, the Authority shall execute, and the Registrar shall authenticate and deliver, a new Bond or Bonds registered in the name of the transferee or transferees.

SECTION 417. Ownership of Bonds and Effect of Registration. The Authority and any Fiduciary may treat and consider the person in whose name any registered Bond shall be registered upon the books of the Registrar as the Holder and absolute owner thereof, whether or not such Bond shall have matured, for the purpose of receiving payment of the principal or Redemption price thereof, if any, or interest thereon and for all other purposes whatsoever, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary; and payment of, or on account of, the principal of, Redemption Price, if any, and interest on such Bond shall be made only to or upon the order of, such registered owner thereof. All payments made as in this Section

provided shall be valid and effectual to satisfy and discharge the liability upon the several Bonds to the extent of the sum or sums so paid.

SECTION 418. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Authority shall execute, and thereupon the Registrar shall authenticate and deliver, a new Bond of like Series, designation, maturity, interest rate and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost upon filing with the Registrar of evidence satisfactory to the Authority and the Registrar that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority and the Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the Authority or the Registrar or the Trustee may prescribe and paying such expenses as the Authority and the Registrar may incur in connection therewith. All such Bonds so surrendered to the Registrar shall be cancelled by it.

SECTION 419. Regulations with Respect to Registrations, Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring registered Bonds is exercised, the Authority shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. For every registration, exchange or transfer of Bonds, the Authority and the Registrar may charge a sum sufficient to reimburse them for any tax, fee or other governmental charge required to be paid and any mailing, delivery, insurance or printing expenses incurred with respect to such registration, exchange or transfer, which sum shall be paid by the Bondholder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of effecting such registration, exchange or transfer. During the fifteen (15) days next preceding any interest payment date of the Bonds of any Series or, in the case of any proposed redemption of Bonds of such Series, next preceding the date of the first publication of notice of such redemption, neither the Authority nor the Registrar shall be required to make any registration, transfer or exchange of Bonds of such Series under the provisions of Section 414 or Section 416. The Registrar shall not less often than semi-annually deliver to the Authority a statement of all Bonds issued in lieu of or in substitution for other Bonds pursuant to Section 414, Section 416, Section 418, Section 705 or Section 906, including a report of the description and disposition of such other Bonds.

ARTICLE V

FUNDS AND APPLICATION OF REVENUES AND OTHER MONEYS

SECTION 501. Pledge of Pledged Revenues.

A. The Bonds are special obligations of the Authority payable solely from and secured as to the payment of the principal and Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of the Resolution solely by the Pledged Revenues. There is hereby pledged and assigned as security for the payment of the principal and Redemption Price of, and interest on, the Bonds in accordance with their terms and the provisions of the Resolution, all of the Pledged Revenues, subject to the provisions of the Junior Bond Resolution and the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in therein and herein.

B. All Pledged Revenues shall immediately be subject to the lien of the pledge of subsection A of this Section 501 without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all persons having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such persons have notice thereof.

C. Nothing contained in this Section 501 shall be construed as limiting any authority granted to the Authority elsewhere in the Resolution to issue bonds, notes or other obligations under the Act secured by other income and funds other than the Pledged Funds.

D. A Subordinated Debt Fund has been created pursuant to the Junior Bond Resolution. The Authority assigns, transfers and sets over to the Trustee all amounts on deposit from time to time in the Subordinated Debt Fund and agrees to direct the Trustee, subject to the provisions of the Junior Bond Resolution, to make payment from the Subordinated Debt Fund under the Junior Bond Resolution on each Record Date, from amounts on deposit in such Subordinated Debt Fund, sufficient so that the Subordinated Bond Service Fund or Subordinated Sinking Fund will contain amounts sufficient to pay in full the principal of, Redemption Price, if any, and interest on the Bonds on the next interest or principal payment dates; provided, however, that if at any time there is a deficiency in any of the other funds under the Junior Bond Resolution or there is an existing Event of Default under the Junior Bond Resolution, no payments from the Subordinated Debt Fund may be made to the Trustee.

SECTION 502. Establishment of Funds. The Authority hereby establishes and creates the following funds, in addition to the funds established under the Junior Bond Resolution:

- (1) Subordinated Bond Service Fund,
- (2) Subordinated Sinking Fund,
- (3) Subordinated General Fund, and
- (4) Construction Fund.

Each of said funds shall be held by the Trustee.

SECTION 503. Periodic Withdrawals from Subordinated Debt Fund. The Trustee as of the first day of each month in any Fiscal Year (except as otherwise herein provided) and within ten (10) days thereafter, shall make payments out of any moneys in the Subordinated Debt Fund into the following several Funds, but as to each such Fund only within the limitation hereinbelow indicated with respect thereto and only after maximum payment within such limitation into every such Fund previously mentioned in the following tabulation:

First: Into the Subordinated Bond Service Fund, to the extent, if any, needed to increase the amount in the Subordinated Bond Service Fund so that it equals the Bond Service Requirement.

Second: Into the Subordinated Sinking Fund, to the extent, if any, needed to increase the amount then or theretofore paid during such Fiscal Year into the Subordinated Sinking Fund pursuant to this clause Second so that it equals the aggregate amount of all Subordinated Sinking Fund Installments, if any, required to be paid on the next succeeding principal payment date.

Third: Into the Subordinated General Fund, to the extent any moneys are available.

SECTION 504. Application and Restoration of Subordinated Bond Service Fund.

(1) The Trustee shall withdraw from the Subordinated Bond Service Fund, immediately prior to each interest payment date of the Bonds, an amount equal to the unpaid interest due on the Bonds on or before such interest payment date, and shall cause the same to be applied to the payment of said interest when due and may transmit the same to the Paying Agent who shall apply the same to such payment.

(2) If the withdrawals required under the provisions of Paragraph (1) of this Section with respect to the same and every prior date shall sooner have been made, the Trustee shall withdraw from the Subordinated Bond Service Fund, immediately prior to each principal payment date, an amount equal to the principal amount of the Outstanding Bonds (if any) maturing on or before said day and shall cause the same to be applied to the payment of the principal of said Outstanding Bonds when due and may transmit the same to the Paying Agent who shall apply the same to such payment.

(3) If the withdrawals required under the provisions of Paragraph (1) and Paragraph (2) of this Section with respect to the same and every prior date shall sooner have been made, the Trustee shall from time to time withdraw from the Subordinated Bond Service Fund and pay into any account maintained in the Subordinated Sinking Fund the amount sufficient to reimburse said account for any amounts theretofore paid from said account for or on account of accrued interest on Bonds purchased in accordance with the provisions of this Section.

(4) No amounts shall be withdrawn from or paid out of the Subordinated Bond Service Fund except as in this Section or Section 1206 expressly provided.

SECTION 505. Application and Restoration of Subordinated Sinking Fund.

(1) The Trustee shall establish and maintain in the Subordinated Sinking Fund a separate account for each particular group of Outstanding Bonds which mature on a single date and for which Sinking Fund Installments are established in accordance with the Resolution. Moneys paid into the Subordinated Sinking Fund pursuant to Section 503 in any Fiscal Year shall upon receipt be segregated and set aside in said accounts in proportion to the respective amounts of the Sinking Fund Installments payable during the next ensuing Fiscal Year with respect to the particular Bonds for which each such account is maintained. Moneys paid into the Subordinated Sinking Fund pursuant to this Section shall upon receipt be set aside in the account therein with respect to which such payment is a reimbursement. All other moneys paid into the Subordinated Sinking Fund shall, notwithstanding the provisions of Section 1205, upon receipt be segregated and set aside by the Trustee in said accounts in proportion to the respective principal amounts authenticated and delivered on original issuance of the particular Bonds for which each such account is maintained.

(2) The Trustee shall apply moneys in any account established in the Subordinated Sinking Fund as provided in paragraph (1) of this Section to the purchase or redemption of the Bonds for which such account is maintained in the manner provided in this Section or to the payment of the principal thereof at maturity, provided that no such Bonds shall be so purchased during the period of thirty (30) days next preceding the date of a Sinking Fund Installment established for such Bonds. If at any date there shall be moneys in any such account and there shall be Outstanding none of the Bonds for which such account was established, said account shall be closed and the moneys therein shall be withdrawn therefrom and (a) be segregated and set aside in the other accounts in the Subordinated Sinking Fund by the Trustee as if paid into the Subordinated Sinking Fund on said date pursuant to Section 503 or (b) if there be no such other accounts in the Subordinated Sinking Fund, be paid into the Subordinated Bond Service Fund.

(3) The purchase price paid by the Trustee (excluding accrued interest) for any Bond purchased pursuant to this Section shall not exceed the principal amount of such Bond. Subject to the limitations hereinbefore set forth or referred to in this Section, the Trustee shall purchase Bonds at such times, for such prices, in such amounts and in such manner as the Trustee in its discretion may determine and as may be possible with the amount of moneys available therefor in the Subordinated Sinking Fund.

(4) As soon as practicable before the 30th day prior to the date of each Sinking Fund Installment, the Trustee shall call for redemption on the date of said Sinking Fund Installment by operation of the Sinking Fund such principal amount of the Bonds entitled to said Sinking Fund Installment as is required by the Supplemental Resolution.

(5) All investment income derived from the investment of moneys paid into the Subordinated Sinking Fund shall be deposited in the Bond Service Fund immediately upon receipt thereof.

(6) No amount shall be withdrawn from or paid out of the Sinking Fund except as in this Section or Section 1206 expressly provided.

SECTION 506. Application and Investment of Subordinated General Fund.

(1) Notwithstanding any other provision of the Resolution, whenever at any date in any Fiscal Year (a) the amount in the Subordinated Bond Service Fund equals or exceeds the Bond Service Requirement, (b) the amount in the Subordinated Sinking Fund equals or exceeds the aggregate amount of all Sinking Fund Installments theretofore payable, and (c) the Authority is not in default in the payment of Bond Service or Redemption Price of any of the Bonds, the Trustee shall (i) upon the filing with it of a Certificate of an Authorized Authority Representative requesting such withdrawal, withdraw from the Subordinated General Fund the amount stated in such Certificate of an Authorized Authority Representative and pay such amount into the Revenue Fund, (ii) upon the filing with it of a Certificate of an Authorized Authority Representative requesting such withdrawal from the Subordinated General Fund the amount stated in such Certificate of an Authorized Authority Representative and pay such amount into the Construction Fund, or (iii) upon direction by resolution of the Authority, withdraw from and pay out of the Subordinated General Fund, free and clear of any lien or pledge created by the Junior Bond Resolution or the Resolution, any amount in the Subordinated General Fund which is in excess of the amounts then reasonably required in the opinion of the Authority to be reserved for payment or security of the Bonds. All amounts so withdrawn by the Trustee from the Subordinated General Fund shall forthwith upon withdrawal be paid to the Authority and may be spent by the Authority for any lawful purpose. All amounts so paid to the Authority shall forthwith upon withdrawal be forever free and clear of any lien or pledge created by the Junior Bond Resolution or the Resolution unless redeposited into the Revenue Fund or the Construction Fund pursuant to the provisions of this Resolution.

(2) No amount shall be withdrawn from or paid out of the Subordinated General Fund except as in this Section or in Section 1206 expressly provided or to pay principal of, Redemption Price, if any, or interest on the Bonds in accordance with their terms as the same becomes due.

SECTION 507. Construction Fund.

(A) Within the Construction Fund, the Trustee shall establish a separate account for each project constituting Additional Facilities. The Trustee shall credit to such separate account for any project any moneys paid into the Construction Fund constituting (1) proceeds of sale of Bonds of any Series authorized for the purpose of raising funds to pay Costs of Acquisition and Construction with respect to said project, (2) any proceeds of insurance (other than use and occupancy insurance) received by the Authority with respect to said project, or (3) any amount accompanied upon its payment into the Construction Fund by an Certificate of an Authorized Authority Representative directing its credit to the said separate account for said project.

(B) Upon requisitions from time to time filed with the Trustee and signed by an Authorized Authority Representative stating, in respect of each payment to be made (a) the particular account established within the Construction Fund from which payment is to be made, (b) the name and address of the person, firm or corporation to whom payment is due, (c) the amount to be paid, and (d) the particular item of the Cost of Acquisition and Construction to be paid and that the cost or the obligation in the stated amount is a proper charge against the Construction Fund which has not been previously paid, the Trustee, out of the separate account in the Construction Fund established for such project shall make such disbursements as may be certified by such Authorized Authority Representative as required in order to pay Costs of Acquisition and Construction with respect to such project.

(C) If at any time there shall have been filed by the Authority with the Trustee a Certificate of an Authorized Authority Representative stating that construction of a project constituting Additional Facilities has been substantially completed or that construction of said **project** has been abandoned either in accordance with Section 604 or upon the advice or order of any governmental agency having jurisdiction with respect thereto, accompanied by a Consulting Engineer's Certificate stating that an amount set forth in said Consulting Engineer's Certificate reserved in the account established in the Construction Fund for such project will be sufficient, with respect to such project, to pay all Costs of Acquisition and Construction, any moneys (including investment income, if any, earned on the moneys on deposit in such account) in said account in excess of the amount so set forth in said Consulting Engineer's Certificate shall be transferred from said account by the Trustee and be paid by the Trustee into and credited to such other account or accounts established in the Construction Fund as may be specified in said Certificate of an Authorized Authority Representative or, if no other account shall be so specified, to the Revenue Fund to the extent of any remaining balance of such moneys.

(D) No amount shall be withdrawn from or paid out of the Construction Fund except as in this Section or Section 1205 expressly provided. All moneys in the Construction Fund are hereby pledged, pending their application to other purposes or disbursement or transfer to other Funds as hereinabove in this Section provided, to secure the payment of the principal of, Redemption Price, if any, and interest on the Bonds.

(E) Amounts deposited into the subaccounts of the Construction Fund established pursuant to Section 307 shall be applied in accordance with or as provided in a Supplemental Resolution authorizing the issuance of the Bond Anticipation Notes.

ARTICLE VI

PARTICULAR COVENANTS OF AUTHORITY

SECTION 601. General. The Authority hereby covenants and agrees with the Trustee and with the Holders of the Bonds and makes provisions which shall be a part of its contract with such Holders, to the effect and with the purpose set forth in the following provisions and Sections of this Article. The provisions of this Article shall be effective from and after the time of the delivery by the Trustee of the first Bond authenticated and delivered under the Resolution. The Authority further covenants to comply with the requirements of the Junior Bond Resolution and any ambiguity between the Junior Bond Resolution and the Subordinated Bond Resolution shall be resolved in favor of the former.

SECTION 602. Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid but solely from the Pledged Revenues, the principal of every Bond, the redemption premium, if any, and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof.

SECTION 603. Construction of Additional Facilities. The Authority shall acquire and construct any Additional Facilities with all practicable dispatch and in a sound and an economical manner and in conformity with law and all requirements of all governmental authorities having jurisdiction thereof. Any Additional Facilities shall be acquired and constructed in accordance with and as more fully shown on the Consulting Engineer's plans and specifications relating thereto, in all cases subject to modifications of such plans and specifications as may be approved from time to time by the Authority and the Consulting Engineer as necessary or advisable to effectuate the general plan of the Utility System and consistent with the purposes of the Act.

SECTION 604. Operation, Maintenance and Reconstruction.

(A) The Authority shall at all times use its best efforts to operate, or cause to be operated, the Utility System properly and in an efficient and economical manner, and shall use its best efforts to maintain, preserve and keep the same or cause the same to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Utility System may be properly and advantageously conducted.

(B) If any useful part of the Utility System is damaged or destroyed, the Authority shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the replacement or reconstruction thereof, unless the Consulting Engineer in a certificate filed with the Trustee shall state, in the opinion of the Consulting Engineer, that such reconstruction or replacement is not in the interest of the Authority and the Bondholders.

SECTION 605. Rules, Regulations and Other Details. The Authority shall establish and enforce reasonable rules and regulations governing the operation, use and services of the Utility System. The Authority shall observe and perform all of the terms and conditions contained in the Act, and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Utility System or the Authority.

SECTION 606. Payment of Lawful Charges. The Authority shall pay all taxes and assessments or other municipal or governmental charges (if any) lawfully levied or assessed upon or in respect of the Utility System, or upon any part thereof or upon any revenue therefrom, when the same shall become due, and shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to any part of the Utility System, and shall not create or suffer to be created any lien or charge upon the Utility System or any part thereof or upon the revenues therefrom, except the pledge and lien created by the Resolution for the payment of the principal of, Redemption Price, if any, and interest on the Bonds. The Authority shall pay or cause to be discharged, or will make adequate provision to satisfy and discharge within sixty (60) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Utility System or any part thereof or the revenues therefrom; provided, however, that nothing in this Section contained shall require the Authority to pay or cause to be discharged, or make provision for, any such lien or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

SECTION 607. Consulting Engineer. The Authority shall employ the Consulting Engineer, until the Bonds and the interest thereon shall have been paid or provision for such payment shall have been made, for the purpose of performing and carrying out the duties imposed on the Consulting Engineer by the Resolution.

SECTION 608. Annual Budget. Not later than the first day of each Fiscal Year, the Authority shall prepare and file with the Trustee and the Consulting Engineer an Annual Budget for such Fiscal Year which shall set forth in reasonable detail the estimated Revenues and Operating Expenses and other expenditures of the Utility System for such Fiscal Year and which shall include appropriations for the estimated amounts to be deposited during each quarter in such Fiscal Year in the Operating Fund and the requirements, if any, for and the amounts estimated to be expended during each quarter from each Fund and Account established under the Junior Bond Resolution and the Resolution. Such Annual Budget also may set forth such additional material as the Authority may determine. At such times as the Authority shall determine, the Authority shall review its estimates set forth in the Annual Budget for such Fiscal Year, and in the event such estimates do not substantially correspond with actual Revenues, Operating Expenses or other requirements, or if there are at any time during any such Fiscal Year extraordinary receipts or payments of unusual costs, the Authority shall prepare an amended Annual Budget for the remainder of such Fiscal Year. The Authority also may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year.

SECTION 609. Rates and Charges.

(A) For all direct or indirect connections with, and all use and services of, the Utility System, the Authority shall charge and collect Service Charges in accordance with the Act.

(B) Such Service Charges shall be fixed, charged and collected under the Act so that the Revenues collected for each Fiscal Year (including any proceeds to the Authority of use and occupancy insurance) will be at least sufficient:

(1) at all times to pay all Operating Expenses and to maintain, preserve and keep the Utility System in good repair, working order and condition, and

(2) to provide a sum equal to one hundred ten percent (110%) of the Bond Service for the Bonds and one hundred ten percent (110%) of the Aggregate Debt Services for the Senior Bonds in such Fiscal Year computed as of the beginning of such Fiscal Year, and

(3) at all times to provide for any deficits of the Authority resulting from failure to receive any Service Charges or from any other cause and comply in all respects with the terms and provisions of the Junior Bond Resolution, the Resolution and the Act and pay and discharge all charges or liens payable out of the Revenues when due and enforceable.

(C) Promptly upon any material change in the circumstances which were contemplated at the time such Service Charges were most recently reviewed, but not less frequently than once in each Fiscal Year, the Authority shall review the Service Charges so established and shall promptly revise such Service Charges as necessary to comply with the foregoing requirements, provided that such Service Charges shall in any event produce moneys sufficient to enable the Authority to comply with all their covenants under the Junior Bond Resolution and the Resolution.

(D) Upon request of the Trustee, copies of every schedule of Service Charges, and revisions thereof, prescribed or adopted by the Authority shall be promptly filed with the Trustee.

SECTION 610. Enforcement and Amendment of Service Agreement; Enforcement of Service Charges.

(A) Except as otherwise permitted by Section 610(B), the Authority shall not release or modify the obligations of the Township under the Service Agreement. The Authority shall take all reasonable measures permitted by the Act or the Service Agreement or otherwise by law to enforce prompt payment by the Township to the Authority of all Annual Charges and shall at all times, to the extent permitted by the Act or otherwise by law, defend, enforce, preserve and protect the rights, benefits and privileges of the Authority and of the Bondholders under and pursuant to the Service Agreement.

(B) The Service Agreement may not be amended, changed, modified, altered or terminated so as to materially adversely affect the interest of the Owners of the Outstanding Bonds without the prior written consent of (a) the Owners of at least fifty-one percent (51%) in principal amount of the Bonds then outstanding, or (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modifications or amendments, the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds of each Series so affected then Outstanding, provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 610(B); and provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Owners of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made by the Township which under the Service Agreement or extend the time of payment thereof. The Service Agreement may be amended, changed, modified or altered with the consent of the Trustee but without the consent of the Owners

of the Outstanding Bonds to cure any ambiguity, or to correct or supplement any provisions contained in the Service Agreement which may be defective or inconsistent with any other provisions contained in the Resolution or the Service Agreement. No amendment to the Service Agreement shall become effective until an executed copy thereof certified by an Authorized Authority Representative shall be filed with the Trustee.

SECTION 611. Maintenance of Insurance.

(A) The Authority shall at all times use its best efforts to keep or cause to be kept the properties of the Utility System which are of an insurable nature and of the character usually insured by those operating properties similar to the Utility System insured against loss or damage by fire and from other causes customarily insured against and in such relative amounts as are usually obtained. The Authority shall at all times use its best efforts to maintain or cause to be maintained insurance or reserves against loss or damage from such hazards and risks to the person and property of others as are usually insured or reserved against by those operating properties similar to the properties of the Utility System. The Authority shall only be required to obtain such insurance if the same is available at reasonable rates and upon reasonable terms and conditions.

(B) The Authority shall also use its best efforts to maintain or cause to be maintained any additional or other insurance which it shall deem necessary or advisable to protect its interests and those of the Bondholder, including, without limitation, such insurance as shall cover any personal injury or damage claims resulting from or relating to the Utility System or any part thereof.

(C) Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to the Authority, or may be in the form of self-insurance by the Authority. The Authority agrees that it will, pursuant to a Supplemental Resolution, establish such fund or funds or reserves, if any, as are necessary to provide for the Authority's share of any such self-insurance. The Supplemental Resolution establishing such fund or funds or reserves shall set forth the amounts to be included in such fund or funds or reserves, the entity to hold such fund or funds or reserves and any other matters and things relative to such fund or funds or reserves which are not contrary to or inconsistent with the Resolution as theretofore in effect.

(D) The Authority shall consult with the Insurance Consultant in determining the insurance coverage or self insurance to be obtained or maintained by the Authority in order to comply with the provisions of this Section 611.

SECTION 612. Sale and Lease of Property. No part of, or any interest of the Authority in, the Utility System shall be sold, leased, mortgaged, pledged, encumbered or otherwise disposed of, except as follows:

(A) The Authority may sell or exchange at any time and from time to time any property or facilities constituting part of the Utility System, only if the Authority and the Consulting Engineer shall determine, as evidenced by a written certificate signed by an Authorized Authority Representative and the Consulting Engineer and delivered to the Trustee, that such property or facilities are not necessary for the purposes of the Authority in the operation of the Utility System; and

(B) The Authority may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the Utility System, provided that any such lease, contract, license, arrangement, easement or right (i) does not impede the operation by the Authority or its agents of the Utility System and (ii) does not in any manner impair or adversely affect the rights or security of the Bondholders under the Resolution; and provided, further, that if the book value of the property to be covered by any such lease, contract, license, arrangement, easement or other right is in excess of 1% of the book value of the assets of the Authority at such time, the Authority shall first file with the Trustee a certificate of the Consulting Engineer that the action of the Authority with respect thereto does not result in a breach of the conditions set forth above in this subparagraph (b).

SECTION 613. Indebtedness and Liens. The Authority shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds payable out of or secured by a pledge or assignment of the Pledged Revenues and shall not create or cause to be created any lien or charge on such Pledged Revenues or on any amounts held by any Fiduciary, under the Resolution; provided, however, that nothing contained in the Resolution shall not prevent the Authority from issuing bonds or notes or other obligations for the purposes of the Authority (a) payable out of, or secured by a pledge of, Pledged Revenues to be derived on and after such date as the pledge of the Pledged Revenues provided in the Resolution shall be discharged and satisfied as provided in Section 1201, or (b) payable out of or secured by the pledge of amounts which may be withdrawn from the Subordinated General Fund pursuant to and subject to the limitations of Paragraph (2) of Section 512, and which recite on their face that such pledge of said amounts is and shall be in all respects subordinate to the provisions of the Resolution and the lien and pledge created by the Resolution.

SECTION 614. Accounts and Reports.

(A) The Authority shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the System or under the Resolution and which, together with all other books and papers of the Authority including insurance policies, shall at all reasonable times be subject to the inspection of the Trustee or the Holder or Holders of not less than five per centum (5%) in principal amount of the Bonds then Outstanding or their attorneys duly authorized in writing.

(B) The Authority shall annually, within one hundred and twenty (120) days after the close of each Fiscal Year, file with the Trustee an annual report for said Year, accompanied by an Accountant's Certificate as to examination of the financial statements therein and describing such statements as fairly presenting the information therein in conformity with generally accepted accounting principles as modified by the rules and regulation promulgated by the Local Finance Board, Division of Local Government Services, Department of Community Affairs, State of New Jersey or its successor, relating to the System and including statements in reasonable detail of: financial condition as of the end of said Year, income and expenses for said Year and statement of changes in Fund balances for said Year; and, with respect to each Fund created by the Resolution, the statement of cash receipts therein and disbursements therefrom during said Year and the amounts held therein at the end of said Year. Within thirty (30) days after the filing of any such

annual report, the Authority shall mail or cause to be mailed copies of said annual report to Bondholders as and to the extent referred to in Section 901.

(C) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Resolution shall be available for the inspection of Bondholders at the Principal Office of the Trustee and shall be mailed to each Bondholders who shall file a written request therefor with the Authority. The Authority may charge for such reports, statements and other documents, a reasonable fee to cover reproduction, handling and postage.

(D) The Authority shall file with the Trustee (a) forthwith upon becoming aware of any Event of Default or default in the performance by the Authority of any covenant, agreement or condition contained in the Resolution, a certificate signed by an Authorized Authority Representative and specifying such Event of Default or default, and (b) within 120 days after the end of each Fiscal Year, a certificate signed by an Authorized Authority Representative stating that, to the best of his knowledge and belief, the Authority has kept, observed, performed and fulfilled each and every one of its covenants, agreements and obligations contained in the Resolution and there does not exist at the date of such certificate any default by the Authority under the Resolution or any Event of Default or other event which, with the lapse of time specified in Section 1001 would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

SECTION 615. Further Assurances. At any and all times the Authority shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Pledged Revenues and other monies, securities and funds hereby pledged or assigned, or intended so to be, or which the Authority may hereafter become bound to pledge or assign.

SECTION 616. Power to Issue Bonds and Pledge Pledged Revenues. The Authority is duly authorized under all applicable laws and the Junior Bond Resolution to create and issue the Bonds and to adopt the Resolution and to pledge the Pledged Revenues to the Trustee in the manner and to the extent provided in the Resolution. Except to the extent otherwise provided in the Resolution, the Pledged Revenues are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and assignment created by the Resolution, and all corporate or other action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of the Resolution are and will be the valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of the Resolution. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and all the rights of the Bondholders under the Resolution against all claims and demands of all persons whomsoever.

SECTION 617. Offices for Servicing Bonds. The Authority shall maintain one or more agencies where Bonds may be presented for payment, registration, transfer or exchange, and for the service upon the Authority of notices, demands and other documents. The Authority hereby appoints the Trustee as Registrar to maintain an agency for the registration, transfer or exchange of Bonds, and for the service upon the Authority of such notices, demands and other documents, and

the Trustee shall continuously maintain or make arrangements to provide such services. This Authority hereby appoints the Paying Agent or Agents as its agent to maintain an agency for the payment or redemption of Bonds.

SECTION 618. Tax Matters.

(A) The Authority shall maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code, and in furtherance of such covenant, the Authority shall comply with the provisions of the Tax Certificate.

(B) The Authority shall not take or permit any action or fail to take any action, which would cause the Bonds of a Series to be "arbitrage bonds" within the meaning of Section 148(a) of the Code; or which would cause the Bonds of a Series to constitute "private activity bonds" within the meaning of Section 141(a) of the Code; nor shall any part of the proceeds of any Series of Bonds or any other funds of the Authority be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code.

(C) The Authority shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the Funds and Accounts established under the Resolution and available therefor.

(D) Notwithstanding any other provision of the Resolution to the contrary, so long as necessary in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code, the covenants contained in this Section 618 shall survive the payment of the Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 1201 of the Resolution.

SECTION 619. Conditions Precedent. Upon the date of issuance of any of the Bonds, all conditions, acts and things required by law and the Resolution to exist, to have happened or to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed, and the issue of such Bonds, together with all other indebtedness of the Authority, shall comply in all respects with the applicable laws of the State.

SECTION 620. General. The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act or the Resolution.

ARTICLE VII

REDEMPTION OF BONDS

SECTION 701. Privileges of Redemption and Redemption Prices. The Bonds of any Series which are redeemable prior to maturity at the option of the Authority shall be subject to redemption by or on behalf of the Authority, prior to maturity and upon published notice as provided in this Article, to such extent, through application of such moneys, at such time or times, in such order, and on such other terms and conditions as shall be provided by the Resolution and referred to in said Bonds, and in all cases at a price equal to the principal amount of each Bond or portion thereof to be redeemed plus such redemption premium, expressed as a percentage of such principal amount, as shall be set forth in said Bonds and applicable upon such redemption, together with interest accrued to the redemption date. If less than all of the Bonds of such Series of like maturity then Outstanding are to be redeemed, the particular Bonds to be redeemed shall be selected by lot in such manner as the Trustee may determine.

SECTION 702. Selection of Bonds to Be Redeemed. If less than all of the Bonds of like maturity of any Series shall be called for prior redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that the portion of any Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing by \$5,000 the principal amount of such Bond to be redeemed in part.

SECTION 703. Notice of Redemption. When the Trustee shall be required or authorized, or shall receive notice from the Authority of its election, to redeem Bonds, the Trustee shall in accordance with the terms and provisions of the Bonds and of the Resolution, select the Bonds to be redeemed and shall give notice, in the name of the Authority, of the redemption of Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of a registered Bond to be redeemed in part only, such notice shall also specify the portion of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portion of the principal thereof in the case of a registered Bond to be redeemed in part only, together with interest accrued to such date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by the Trustee, by first class mail, postage prepared, not less than thirty (30) days prior to such redemption date, to the registered owner of any Bond, at his last address (if any) appearing upon the registry books, but such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice or any defect in the notice to the Bondholder shall not affect the validity of any proceedings for the redemption of Bonds. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Bondholder receives the notice.

SECTION 704. Authority's Election to Redeem. The Authority shall give written notice to the Trustee of its election to redeem Bonds and of the redemption date, which notice shall be

given [not more than sixty days nor less than forty-five days] prior to the redemption date or at such later date as shall be acceptable to the Trustee. In the event that the required notice of redemption shall have been given, the Authority shall, and hereby covenants that it will, prior to the redemption date, pay to the Trustee an amount in cash which, in addition to any other moneys available therefor held by the Trustee, will be sufficient to redeem at the Redemption Price thereof, plus interest accrued to the redemption date, all of the Bonds which are to be redeemed.

SECTION 705. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 703, the Bonds or portions thereof called for redemption and specified in said notice shall become due and payable on the redemption date specified in said notice at the Redemption Prices thereof applicable on such date, plus unpaid interest on said Bonds or portions thereof accrued to such date, and, upon presentation and surrender thereof at the place or places specified in said notice together with, a written instrument of transfer duly executed by the registered owner thereof or by his attorney duly authorized in writing. If there shall be so called for redemption less than all of a registered Bond, the Authority shall execute and the Registrar shall authenticate and cause to be delivered, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the registered Bond so surrendered, registered Bonds of like Series, designation, interest rate and maturity in any of the authorized denominations. If, on such redemption date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest thereon accrued and unpaid to such date, shall be held by or on behalf of the Trustee so as to be available therefor on such date and if notice of redemption thereof shall have been published as aforesaid, then from and after such redemption date, interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of particular Bonds shall be held in trust for the account of the holders of the Bonds so to be redeemed.

ARTICLE VIII

SUPPLEMENTAL RESOLUTIONS

SECTION 801. Supplemental Resolutions Effective Upon Filing. For any one or more of the following purposes and at any time or from time to time, a resolution of the Authority supplementing the Resolution may be adopted which resolution, upon the filing with the Trustee of a copy thereof certified by the Secretary, shall be fully effective in accordance with its terms:

(1) To close the Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Resolution on, the issuance in future of Bonds, or of other notes, bonds, obligations or evidences of indebtedness;

(2) To add to the covenants or agreements of the Authority contained in the Resolution other covenants or agreements to be observed by the Authority which are not contrary to or inconsistent with the Resolution as theretofore in effect.

(3) To add to the limitations or restrictions contained in the Resolution other limitations or restrictions to be observed by the Authority which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(4) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Resolution, of the Revenues or of any other moneys, securities or funds;

(5) To specify, determine or authorize any and all matters and things relative to the Bonds or the proceeds thereof which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(6) To authorize Additional Subordinated Bonds or, in connection therewith, specify, determine or authorize the matters and things mentioned or referred to in Article III and also any other matters and things relative to such Bonds or the proceeds thereof which are not contrary to or inconsistent with the Resolution as theretofore in effect; and

(7) To specify, determine or authorize by Supplemental Resolution any and all matters and things relative to the Bonds of a Series or the proceeds thereof (including the establishment of such additional Funds, Accounts or subaccounts as the Authority shall determine to be necessary or desirable) which are hereunder authorized or otherwise not contrary to or inconsistent with the Resolution as theretofore in effect including, but not limited to, provisions regarding the form of Bonds, the issuance, exchange, ownership or otherwise of Bonds issued in registered form, all under such terms and conditions and pursuant to such provisions as shall be set forth in the applicable Supplemental Resolution.

(8) To accomplish the sale and award of each Series of Bonds to the purchaser(s) thereof and specifying the purchase price of such Bonds.

(9) To specify, determine or authorize any and all matters and details with respect to any book-entry system for Bonds of a particular Series.

(10) For the purposes of Section 908.

(11) To surrender any right, power or privilege conferred upon the Authority by the Resolution.

(12) After the adoption of the Resolution but prior to the issuance of the 2024 Bonds to amend or supplement any provision of the Resolution.

SECTION 802. Supplemental Resolutions Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a resolution of the Authority amending or supplementing the Resolution may be adopted which resolution, upon the (a) filing with the Trustee of a copy thereof certified by an Authorized Authority Representative and (b) filing with the Trustee and the Authority of an instrument in writing made by the Trustee consenting to such resolution, shall be fully effective in accordance with its terms:

(1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; and

(2) To insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect.

SECTION 803. Supplemental Resolutions Effective With Consent of Bondholders. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Bondholders in accordance with and subject to the provisions of Article IX, which Supplemental Resolution shall become fully effective in accordance with its terms as provided in Article IX upon the filing with the Trustee of a copy thereof certified by an Authorized Authority Representative and upon compliance with the provisions of such Article XI.

SECTION 804. Restriction on Amendments. The Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article and Article IX. The provisions of Section 803 are in all respects subject and subordinate to the provisions, restrictions, exceptions and limitations set forth in Article IX. Nothing in this Article or Article IX contained shall affect or limit the right or obligation of the Authority to pass, make, do, execute, acknowledge or deliver any resolution, act, deed, conveyance, assignment, transfer or assurance pursuant to the provisions of Section 615 or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which elsewhere in the Resolution it is provided shall be delivered to said Fiduciary.

SECTION 805. Adoption and Filing of Supplemental Resolutions. Any resolution of the Authority referred to and permitted or authorized by Section 801, Section 802 or Section 803 may be adopted by the Authority without the vote or consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. Every such resolution so becoming effective shall thereupon form a part of the Resolution. The copy of every such resolution when filed with the Trustee shall be accompanied

by an Opinion of Bond Counsel to the effect that such resolution has been duly and lawfully adopted by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms subject to any applicable bankruptcy, insolvency or other law affecting creditors' rights generally.

SECTION 806. Authorization to Trustee. The Trustee is hereby authorized to accept the delivery of a certified copy of any resolution of the Authority referred to and permitted or authorized by Section 801, Section 802 or Section 803 and to consent to such resolution and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be an Opinion of Bond Counsel) that such resolution is authorized or permitted by the provisions of the Resolution or contains no provisions which are contrary to or inconsistent with the Resolution as theretofore in effect.

ARTICLE IX

AMENDMENTS

SECTION 901. Mailing of Notice. Any provision in this Article relative to the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed, postage prepaid, only (1) to each registered owner of any Bonds then Outstanding at such owner's last address (if any) appearing upon the registry books, and (2) to the Trustee.

SECTION 902. Powers of Amendment. Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds, in any particular, may be made by a Supplemental Resolution with the written consent, given as hereinafter provided in Section 903, of the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series, maturity and interest rate remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section; and provided, further, that no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the description of Bonds and consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of its written assent thereto.

SECTION 903. Consent of Bondholders. The Authority may at any time adopt and file in accordance with the provisions of Section 803 a resolution of the Authority making a modification or amendment permitted by the provisions of Section 902, to take effect when and as provided in this Section. A copy of such resolution (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to Bondholders (but failure to mail such copy and request shall not affect the validity of such resolution when consented to as in this Section provided). Such resolution shall not be effective unless and until, (1) there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 902, and (b) an Opinion of Bond Counsel stating that such resolution has been duly and lawfully adopted by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the provisions of the Resolution, and, when effective, will be valid and binding upon the Authority and enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally and (2) a notice shall have been given as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 1202. A certificate or certificates executed by the Trustee and filed with the Authority that it has examined such proof and that such proof is sufficient under the provisions of Section 1202 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and of any Bonds issued in exchange

therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to but no later than the time when the written statement of the Trustee hereinafter in this Section provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 1202. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Authority to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents of such resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that the Holders of such required percentages of Bonds have filed and given such consents. Such written statement shall be conclusive that such consents have been so filed and have been given. At any time thereafter notice, stating in substance that such resolution (which may be referred to as a resolution adopted by the Authority on a stated date a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section, may be given to Bondholders by the Authority by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such resolution from becoming effective and binding as in this Section provided). The Authority shall file with the Trustee proof of the mailing thereof. A record, consisting of the certifications or statements required or permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such resolution making such modification or amendment shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Holders of all Bonds at the expiration of forty (40) days after the filing with the Trustee of proof of the mailing of such last-mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such resolution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that any Fiduciary and the Authority during such forty (40) day period and any further period during which any such action or proceeding may be pending shall be entitled to their absolute discretion to take such action, or to refrain from taking such action, with respect to such resolution as they may deem expedient.

SECTION 904. Modifications by Unanimous Consent. Notwithstanding anything contained in Article VIII or in the foregoing provisions of this Article, the terms and provisions of the Resolution and the rights and obligations of the Authority and the Holders of the Bonds, in any particular, may be modified or amended in any respect upon the adoption by the Authority and filing, in accordance with the provisions of Article VIII, of a resolution of the Authority making such modification or amendment and the consent of such resolution of the Holders of all of the Bonds then Outstanding, such consent to be given and proved as provided in Section 903 except that no notice to Bondholders by mailing shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of its written assent thereto in addition to the said consent of Bondholders.

SECTION 905. Exclusion of Bonds. Bonds owned or held by or for the account of the Authority shall be excluded and shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action under this Article, the

Authority shall furnish the Trustee a Certificate of an Authorized Authority Representative, upon which the Trustee may rely, describing all Bonds so to be excluded.

SECTION 906. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in Article VIII or this Article provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and preparation of such Bond for the purpose at the Principal Office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond by the Trustee or the Registrar, if so directed by the Trustee, as to any such action. If the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Authority to conform to such action shall be prepared, authenticated by the Registrar and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series, designation, maturity and interest rate then Outstanding, upon surrender of such Bonds with all unpaid coupons (if any) appertaining thereto.

SECTION 907. Additional Consents Required. No modification or amendment of the Resolution requiring the consent of the holders of any Bonds with respect to which any policy of municipal bond insurance shall then be in force shall take effect unless and until there shall have been filed with the Trustee, in addition to the consents of Bondholders required pursuant to Section 903, the written consent to such modification or amendment of the issuer of such policy of municipal bond insurance.

SECTION 908. Amendment Prior to Issuance of 2024 Bonds. Prior to issuance of any of the 2024 Bonds and notwithstanding anything contained in the Resolution (including this Article IX), the Authority may by resolution (herein called "amending resolution") modify or amend or add to or delete any of the terms or provisions of the Bonds or of the Resolution in any respect or for any purpose.

ARTICLE X

REMEDIES OF THE TRUSTEE AND HOLDERS IN EVENT OF DEFAULT

SECTION 1001. Event of Default.

(A) The following events shall constitute Events of Default under the Resolution:

(1) the Authority shall fail to make any payment of the principal of, the premium, if any, or interest on any Bond then Outstanding when and as the same shall become due and payable, whether at maturity, by acceleration or otherwise, in accordance with the terms hereof, or the applicable Supplemental Resolution, as the case may be; or

(2) the Authority shall fail to observe or perform any covenant or agreement contained in this Resolution for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Authority by the Trustee, or to the Authority and the Trustee by the Holders of at least twenty five percent (25%) in aggregate principal amount of Bonds then Outstanding; provided, that in the event such failure cannot be remedied within said thirty-day period and the Authority has made and continues to make a diligent, good faith effort to remedy such failure, such thirty-day period shall be extended until the remedy is effected, but in no event shall such thirty-day period be extended more than six months from the date that the initial thirty-day period was to expire; or

(3) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Authority as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization of the Authority under the United States Bankruptcy Code or any other similar applicable federal or state law, and such decree or order of a court having jurisdiction in the premises for the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of the Authority or of its property, or for the winding-up or liquidation of its affairs, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of ninety (90) days;

(4) the Authority shall institute proceedings to be adjudicated a voluntary bankruptcy, or shall consent to the institution of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization under the United States Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of it or of its property, or shall make assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Authority in furtherance of any of the aforesaid purposes; provided, however, that such will not constitute an Event of Default within the meaning of this Section 1001 unless the Trustee has actual knowledge thereof; or

(5) an Event of Default shall occur and be continuing under the Junior Bond Resolution.

(B) Upon the occurrence of an Event of Default, then and in each and every cause, unless the principal of all Bonds shall have already become due and payable, the Trustee may, and if an Event of Default described in Section 1001(A)(3) and (4) occurs or if requested by the Holders of not less than twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding, the Trustee shall, by notice in writing to the Authority declare the principal of all such Bonds to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Resolution or in such Bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of all Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Authority shall pay or shall deposit with the Trustee a sum sufficient to pay (i) all matured installments of interest upon all such Bonds and the principal and premium, if any, of all such Bonds that shall have become due otherwise than by acceleration (with interest on overdue installments of interest and on such principal and premium, if any, at the respective rates borne by such Bonds to the date of such payment or deposit), and (ii) the expenses of the Trustee, and any and all Events of Default under this Resolution, other than the non-payment of principal of and accrued interest on such Bonds that shall have become due by acceleration, shall have been remedied, then and in every such case the Holders of a majority in aggregate principal amount of all Bonds then Outstanding, by written notice to the Authority and to the Trustee, may waive all Events of Default and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or affect any subsequent Event of Default, or shall impair any right consequent thereon.

SECTION 1002. Payment of Bonds on Default. The Authority covenants that upon an Event of Default as described in Section 1001, then, upon demand of the Trustee, it will pay to the Trustee, for the benefit of the Holders of such Bonds, the whole amount that then shall have become due and payable on all such Bonds, for principal or interest, or both, as the case may be, with interest upon the overdue principal and installments of interest (to the extent permitted by law) at the respective rates of interest borne by such Bonds or as provided in the applicable Supplemental Resolution; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and any expenses incurred by the Trustee other than as a result of its gross negligence or willful misconduct.

SECTION 1003. Suit for Moneys Due. In case the Authority shall fail forthwith to pay the amounts due under Section 1001 upon such demand, the Trustee, in its own name and as trustee of an express trust shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Authority and collect in the manner provided by law out of the Pledged Revenues wherever situated the moneys adjudged or decreed to be payable. The Trustee, upon the bringing of any action or proceeding at law or in equity under this Section 1003, as a matter of right, without notice and without giving bond to the Authority may, to the extent permitted by law, have a receiver appointed of all of the property of the Authority pending such action or proceeding, with such powers as the court making such appointment shall confer.

SECTION 1004. Proceedings in Bankruptcy. In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Authority under the United States Bankruptcy

Code or any other applicable law relative to the Authority, its creditors or its property, or in case a receiver or trustee shall have been appointed for its property, the Trustee, irrespective of whether the principal of Bonds of any Series shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of Section 1002, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of Bonds of all Series and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of the Holders of the Bonds allowed in such judicial proceedings relative to the Authority, its creditors or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of such Holders to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to such Holders, to pay to the Trustee any amount due it for compensation and expenses, including counsel fees incurred by it up to the date of such distribution. To the extent that such payment of reasonable compensation, expenses and counsel fees out of the estate in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, moneys, securities and other property which the Holders may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or otherwise.

SECTION 1005. Suit by Trustee. All rights of action and rights to assert claims under any Bond may be enforced by the Trustee without the possession of such Bond on any trial or other proceedings instituted by the Trustee. In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Resolution to which the Trustee shall be a party) the Trustee shall be held to represent all the Holders, and it shall not be necessary to make any Holders parties to such proceedings.

SECTION 1006. Application of Moneys Collected. Any amounts collected by the Trustee pursuant to Sections 1002, 1003 and 1004 shall be applied, for the equal and ratable benefit of the Holders of Bonds, in the order following, at the date or dates fixed by the Trustee for the distribution of such moneys, upon presentation of such Bonds:

(1) to the payment of costs and expenses of collection, and of all amounts payable to the Trustee under Section 1106.

(2) unless the principal of all Outstanding Bonds shall have become or have been declared due and payable:

FIRST: to the payment to the persons entitled thereto of all installments of interest then due on Bonds in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference; and

SECOND: to the payment to the persons entitled thereto of the unpaid principal installments of any Bonds which shall have become due, whether at maturity or by call for

redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then the payment thereof ratably, according to the amounts of principal installments due on such date, to the persons entitled thereto, without any discrimination or preference;

(3) if the principal of all Outstanding Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference;

(4) to the payment of the remainder, if any, to the Authority, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

SECTION 1007. Suit by Holders.

(A) No Holder shall have any right by virtue or by availing of any provision of this Resolution to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Resolution or for the appointment of a receiver or trustee, or any other remedy hereunder, unless such Holder previously shall have given to the Trustee written notice of default and of the continuance thereof, as hereinbefore provided, and unless also the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee, for thirty (30) days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 808; it being understood and intended, and being expressly covenanted by the taker and Holder with every other taker and Holder and the Trustee, that no one or more Holders shall have any right in any manner whatever by virtue or by availing of any provision of this Resolution to affect, disturb or prejudice the rights of any other Holder or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under this Resolution, except in the manner herein provided and for the equal, ratable and common benefit of all Holders. For the protection and enforcement of the provisions of this Section 1007, each and every Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

(B) The Holder instituting a suit, action or proceeding in compliance with the provisions of this Section 1007 shall be entitled in such suit, action or proceeding to such amounts as shall be sufficient to cover the costs and expenses of collection, including, to the extent permitted by applicable law, a reasonable compensation to its attorneys.

(C) Notwithstanding any other provisions in this Resolution the right of a Holder to receive payment of the principal of and interest on a Bond, on or after the respective due dates expressed in such Bond, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 1008. Direction of Proceedings and Waiver of Defaults by Holders. The Holders of a majority in aggregate principal amount of Bonds then Outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however that the Trustee shall have the right to decline to follow any such direction if the Trustee, being advised by counsel, determines that the action so directed may not lawfully be taken, or if the Trustee in good faith shall, by a responsible officer or officers of the Trustee, determine that the proceedings so directed would be illegal or involve it in personal liability, and provided further that nothing in this Resolution shall impair the right of the Trustee in its discretion to take any action deemed proper by the Trustee and which is not inconsistent with such direction by the Holders. Prior to the declaration as provided in Section 1001, the Holders of a majority in aggregate principal amount of Bonds then Outstanding may on behalf of the Holders of all Bonds waive any past Event of Default and its consequences, except a default in the payment of the principal of or premium, if any, or interest on any Bond or in respect of a covenant or provision hereof which under Article IX cannot be modified or amended without the consent of all the Holders of such Bonds then Outstanding. In the case of any such waiver the Authority, the Trustee and the Holders of Bonds shall be restored to their former position and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 1009. Delay or Omission of Trustee. No delay or omission of the Trustee, or of any Holder, to exercise any right or power accruing upon an Event of Default, occurring and continuing as aforesaid, shall impair any such right or power, or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, nor shall the action of the Trustee or of the Holders in case of any Event of Default, or in case of any Event of Default and the subsequent waiver of such Event of Default, affect or impair the rights of the Trustee or of such Holders in respect of any subsequent Event of Default or impair any right resulting therefrom; and every power and remedy given by this Resolution to the Trustee or to such Holders may be exercised from time to time and as often as may be deemed expedient by it or by them.

SECTION 1010. Remedies Cumulative. No remedy herein conferred upon or reserved to the Trustee or the Holders entitled to the benefits hereof is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute; and the employment of any remedy hereunder, or otherwise, shall not prevent the concurrent employment of any other appropriate remedy or remedies.

SECTION 1011. Notice of Default. At the discretion of the Trustee, the Trustee shall mail, by first class mail, postage prepaid, written notice of the occurrence of any Event of Default of which it has actual knowledge to each Owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the Authority.

ARTICLE XI

THE FIDUCIARIES

SECTION 1101. Trustee. The Bank of New York Mellon is hereby appointed as trustee hereunder, and the property, rights, powers and duties of the Trustee under the Resolution are hereby vested in said trustee in trust for the Bondholders. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by causing the Registrar to execute the certificate of authentication endorsed upon the Bonds, and, by causing the Registrar to execute such certificate upon any Bond, the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the bond so authenticated, but with respect to all the Bonds thereafter to be issued, but only, however, upon the terms and conditions set forth in the Resolution.

SECTION 1102. Paying Agents and Registrar. The Authority shall appoint one or more Paying Agents for the Bonds of each Series of the Bonds by Supplemental Resolution adopted prior to their authentication and delivery, and may at any time or from time to time by Supplemental Resolution appoint one or more other Paying Agents for such Bonds. Each Paying Agent shall be a bank or trust company organized under any state of the United States or a national banking association, having trust powers and having a capital stock, surplus and undivided earnings aggregating at least fifty million dollars (\$50,000,000), if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Authority and the Trustee a written acceptance thereof. The Trustee may be appointed and may act as a Paying Agent.

The Authority shall appoint a Registrar for the Bonds of each Series by Supplemental Resolution adopted prior to their authentication and delivery. Each Registrar shall be a bank or trust company organized under any state of the United States or a national banking association, having trust powers and having a capital stock, surplus and undivided earnings aggregating at least fifty million dollars (\$50,000,000), if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution. Each Registrar shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Authority and the Trustee a written acceptance thereof. The Trustee is hereby appointed to act as Registrar.

SECTION 1103. Responsibilities of Fiduciaries. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Bonds or in respect to the security afforded by the Resolution, and no Fiduciary shall incur any responsibility in respect thereof. The Registrar shall, however, be responsible for its representation contained in its certificate of authentication on the bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any action or suit in respect of the Resolution or Bonds, or to advance any of its own moneys, unless properly

indemnified. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own gross negligence, willful misconduct or default.

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 expressly and specifically set forth in the Resolution. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by the Resolution, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of the Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

Notwithstanding any provision of the Resolution to the contrary, the Trustee shall not be responsible for (i) the payment of any premiums for any insurance policies required to be maintained by the Authority under the Resolution, (ii) the payment of any taxes, assessments, other governmental charges or required payments required to be paid by the Authority pursuant to Section 606, or (iii) the adequacy or sufficiency of any security interest (either initial or continuing) created for the benefit of the Bond owners by the Resolution.

SECTION 1104. Funds Held in Trust. All moneys held by any Fiduciary, as such, at any time pursuant to the terms of the Resolution shall be and hereby are assigned, transferred and set over unto such Fiduciary in trust for the purposes and under the terms and conditions of the Resolution.

SECTION 1105. Evidence on Which Fiduciaries May Act. Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever any Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of an Authorized Authority Representative stating the same, and such Certificate of an Authorized Authority Representative shall be full warrant for any action taken or suffered in good faith under the provisions of the Resolution upon the faith thereof, but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by or on behalf of the Authority to any Fiduciary shall be sufficiently executed if executed by an Authority Officer.

SECTION 1106. Compensation and Expenses. Unless otherwise provided by contract with the Fiduciary, the Authority shall pay to each Fiduciary from time to time reasonable compensation for all services rendered by it hereunder, and also reimbursement for all its reasonably required expenses incurred in and about the performance of its powers and duties hereunder. The Authority shall indemnify and save each Fiduciary harmless against any liabilities

which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its gross negligence, willful misconduct or default.

SECTION 1107. Certain Permitted Acts. Any Fiduciary may become the owner of or may deal in Bonds as fully and with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as a depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

SECTION 1108. Resignation of Fiduciary. A Fiduciary, or any successor thereof, may at any time resign and be discharged of its duties and obligations created by the Resolution by giving not less than sixty (60) days' writing notice to the Authority and mailing notice thereof to the Owners of the Bonds then Outstanding, specifying the date when such resignation shall take effect. Such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Authority or Bondholders as herein provided, in which event such resignation shall take effect immediately on the appointment of such successor.

SECTION 1109. Removal. The Authority may remove a Paying Agent or Registrar of Bonds of a Series of Bonds at any time by filing with such Paying Agent or Registrar and the Trustee an instrument signed by an Authorized Authority Representative, provided that no such removal of a Paying Agent or Registrar by the Authority shall take effect until a successor shall have been appointed as provided in Section 1110. Any other Fiduciary, or any successor thereof, may be removed at any time by the Holders of a majority in the principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Bondholders or by their attorneys duly authorized in writing and delivered to the Authority. Copies of each such instrument shall be delivered by the Authority to each other Fiduciary and any successor thereof.

SECTION 1110. Appointment of Successor Fiduciary. In case at any time a Fiduciary, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of such Fiduciary or of its property shall be appointed, or if any public officer shall take charge or control of such Fiduciary or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to such successor Fiduciary, notification thereof being given to the Authority, the predecessor Fiduciary and any other Fiduciaries. Pending such appointment, the Authority shall forthwith appoint a Fiduciary to fill such vacancy until a successor Fiduciary shall be appointed by Bondholders as herein authorized. The Authority shall mail notice of any such appointment to the registered Owners of the Bonds then Outstanding. Any successor Fiduciary appointed by the Authority shall, immediately and without further act, be superseded by a Fiduciary appointed by Bondholders. If in a proper case no appointment of a successor Fiduciary shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Fiduciary shall have given to the Authority written notice as provided in Section 1108 or after the occurrence of any other event requiring or authorizing such appointment, the Fiduciary or any other Fiduciary or any Bondholder may apply to any court of competent

jurisdiction to appoint a successor. Said court may thereupon, after such notice (if any) as said court may deem proper and prescribe, appoint such successor Fiduciary. Any Fiduciary appointed under the provisions of this Section shall be a bank or trust company or a national banking association, having the qualifications prescribed in Section 1102 with respect to Paying Agents and Registrars, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

SECTION 1111. Transfer of Rights and Property to Successor Fiduciary. Any successor Fiduciary appointed hereunder shall execute, acknowledge and deliver to its predecessor Fiduciary, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Fiduciary, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary, with like effect as if named herein as such Fiduciary, but the Fiduciary ceasing to act shall nevertheless, on the written request of the Authority or of the successor Fiduciary, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Fiduciary all the right, title and interest of the predecessor Fiduciary in and to any property held by it under the Resolution, and shall pay over, assign and deliver to the successor Fiduciary any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor Fiduciary any such moneys, estates, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledge and delivered by the Authority. Any such successor Fiduciary shall promptly notify the other fiduciaries of its appointment as such Fiduciary.

SECTION 1112. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which such Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company or national banking association which is qualified to be a successor to such Fiduciary under Section 1110 and shall be authorized by law to perform all the duties imposed upon it by the Resolution, shall be authorized by law to perform all the duties imposed upon it by the Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any future act. Nevertheless, in the event that the aforesaid company shall not be satisfactory to the Authority, the Authority shall have the right for a period not to exceed sixty (60) days after written notice by the Trustee of the aforesaid merger, consolidation, etc., to pass a resolution indicating its desire to remove the Trustee and appoint a successor Trustee upon the same terms and conditions as if the Trustee had been removed with the consent of the Bondholders as provided herein.

SECTION 1113. Adoption of Authentication. In case any of the Bonds contemplated to be issued under the Resolution shall have been authenticated but not delivered any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated, and in case any of the said Bonds shall have not been authenticated, any successor Trustee may authorize and direct the authentication of such Bonds, by the Registrar, and in all such cases such certificate shall have the full force which it has

anywhere in said Bonds or in the Resolution provided that the certificate of the Registrar shall have been completed.

ARTICLE XII

MISCELLANEOUS

SECTION 1201. Defeasance.

(A) If the Authority shall pay or shall cause to be paid or if there shall be paid otherwise to the Holders of all Bonds, the principal or the Redemption Price, if applicable, and the interest due or to become due thereon at the times and in the manner stipulated therein and in the Resolution, then, at the option of the Authority expressed in a Certificate of an Authorized Authority Representative delivered to the Trustee, the pledge of any Revenues and other moneys, funds and securities pledged under the Resolution and all covenants, agreements and other obligations of the Authority to the Bondholders thereupon shall cease, shall terminate, shall become void and shall be discharged and satisfied. Upon the request of the Authority, the Trustee shall execute and shall deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction. In such event and upon request of the Authority expressed in a Certificate of an Authorized Authority Representative delivered to the Trustee, the Trustee, the Registrar and any Paying Agent shall pay over or shall deliver to the Authority all moneys, funds or securities held by them pursuant to the Resolution that are not required for the payment of principal or Redemption Price of and interest due or to become due on the Bonds. If the Authority shall pay or shall cause to be paid or if there shall be paid otherwise to the holders of all Outstanding Bonds of a particular series or maturity within a Series the principal or the Redemption Price of, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under the Resolution, and all covenants, agreements and obligations of the Authority to the Holders of such Bonds shall thereupon cease, shall terminate and shall become void and be discharged and satisfied.

(B) Bonds or interest installments for the payment or the redemption of which moneys shall have been deposited with the Trustee or any Paying Agent by or on behalf of the Authority whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section. All Outstanding Bonds of any Series or of any maturity within a Series prior to the maturity or the redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection 1 of this Section if (a) in case any of such Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail notice of redemption of such Bonds on such date, (b) there shall have been deposited with the Trustee either moneys in an amount that shall be sufficient or Investment Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time shall be sufficient, to pay when due the principal or the Redemption Price, if applicable, and the interest due and to become due on such Bonds on and prior to the redemption date or the maturity date thereof, as the case may be, and (c) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or the Redemption Price, if applicable, on such Bonds. If at any time prior to the maturity date of Bonds deemed to have been

paid in accordance with Section 1201 that are not to be redeemed prior to their maturity or at any time prior to the mailing of the notice of redemption referred to in clause (a) with respect to any Bonds deemed to have been paid in accordance with Section 1201 that are to be redeemed on any date prior to their maturity, the Authority shall purchase or otherwise shall acquire any such Bond and shall deliver such Bonds to the Trustee prior to their maturity date or Redemption Date, as the case may be, the Trustee immediately shall cancel all such Bonds so delivered. Such delivery of the Bonds to the Trustee shall be accompanied by directions from the Authority to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with this Section 1201. The directions given by the Authority to the Trustee referred to in the preceding sentences also shall specify the portion, if any, of such proceeds to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and cancelled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section on any date or dates prior to their maturity. In the event that on any date as a result of any purchase, acquisitions and cancellations of Bonds as provided in this Section, the total amount of moneys and investment obligations remaining on deposit with the Trustee under this Section is in excess of the total amount that would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds in order to satisfy clause (b) of this Subsection 2 of this Section 1201, the Trustee shall pay the amount of such excess to the Authority free and clear of any trust, lien, pledge or assignment securing such Bonds or otherwise existing under this Resolution if requested by the Authority. Neither Investment Obligations nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments of any such Investment Obligations shall be withdrawn or shall be used for any purposes other than and shall be held in trust for the payment of the principal or the Redemption Price, if applicable, of and the interest on such Bonds, provided that any cash received from such principal or interest payments on such Investment Obligations deposited with the Trustee, (a) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien or pledge securing such Bonds or otherwise existing under the Resolution and (b) to the extent such cash will be required for such purpose at a later date and to the extent practicable, shall be reinvested in Investment Obligations maturing at times in amounts sufficient to pay, when due, the principal or the Redemption Price, if applicable, of and the interest to become due on such Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien, pledge or assignment securing such Bonds or otherwise existing under the Resolution. To the extent that the moneys or the principal and the interest on the Investment Obligations as referred to above are sufficient to provide for defeasance of all Outstanding Bonds, any additional moneys generated or available may be paid over to the Authority to be used for any lawful purpose free and clear of any trust, lien or pledge.

(C) Anything in the Resolution to the contrary notwithstanding, any moneys held by the Trustee, the Registrar or any Paying Agent in trust for the payment of the principal or the Redemption Price of and the interest on any of the Bonds remain unclaimed for six years after the date when such Bonds have become due and payable if such moneys were held by the Fiduciary at such date or for six years after the date of deposit of such moneys if deposited with the Fiduciary after such date when such Bonds become due and payable, at the written request of the Authority, shall be repaid by the Fiduciary to the Authority, as its absolute property and free from trust. Thereupon, the Fiduciary shall be released and discharged with respect thereto and the Bondholders

shall look only to the Authority for the payment of such Bonds provided, however, that before being required to make any such payment to the Authority, the Fiduciary, at the expense of the Authority, shall, cause to be published at least twice, at an interval of not less than seven days between publications, in Authorized Newspapers, a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

(D) Option Bonds shall be deemed to have been paid in accordance with the second sentence of subsection 2 of this Section 1201 only if, in addition to satisfying the requirements of clauses (a) and (c) of such sentence, there shall have been deposited with the Trustee moneys in an amount that shall be sufficient to pay, when due, the maximum amount of principal of and premium, if any, and interest on such Bonds that could become payable to the Holders of such Bonds upon the exercise of any options provided to the Holders of such Bonds, provided, however, that if at the time a deposit is made with the Trustee pursuant to subsection 2 of this Section, the options originally exercisable by the Holder of an Option Bond are no longer exercisable, such Bonds shall not be considered an Option Bond for purposes of this subsection.

(E) If any portion of the moneys deposited with the Trustee for the payment of the principal of and any premium and interest on Option Bonds is not required for such purpose, the Trustee shall pay the amount of such excess to the Authority free and clear of any trust, lien, pledge or assignment securing such Bonds or otherwise existing under the Resolution if requested by the Authority.

SECTION 1202. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of (1) the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, or (2) the holding by any person of any Bonds, shall be sufficient for any purpose of the Resolution if made in the following manner, or in any other manner satisfactory to the Trustee which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable.

- (A) The fact and date of the execution by any Bondholder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgements of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.
- (B) The amount of Bonds transferable by delivery held by any person execution any such instrument as a Bondholder, and the numbers and other identification thereof, and the date of his holding such Bonds, may be proved by a certificate, which need

not be acknowledged or verified, of an officer of a bank, trust company, financial firm or corporation or other depository satisfactory to the Trustee, showing that at a date therein mentioned such person exhibited to or had on deposit with such bank, trust company, financial firm, corporation or depository, Bonds described or referred to in such certificate, and such a certificate may be made and given by an officer or member of any bank, trust company, insurance company or financial firm or corporation satisfactory to the Trustee with respect to Bonds held by it, if acceptable to the Trustee.

- (C) The amount, numbers and other identification thereof, and the date of holding the same, shall be proved by the registry books.

Any request, consent or other instrument executed by the Holder or owner of any Bond shall bind all future Holders and owner of such Bond in respect of anything done or suffered to be done hereunder by the Authority or any Fiduciary in accordance therewith.

SECTION 1203. Effectiveness of Instruments Delivered by Bondholders. No request, consent, revocation of consent or other instrument (all referred to in this Section as "Instrument") which the Resolution may require or permit to be executed or delivered by the holders of any Bonds with respect to which any policy of municipal bond insurance shall then be in force shall be counted or deemed effective by the Authority or the Trustee unless and until the insurer under such policy of municipal bond insurance shall have filed with the Authority and the Trustee its written consent thereto. Such consent of any such insurer may be in the form of a single instrument consenting to the execution or delivery of any Instrument by the holders of all such Bonds or consenting to the action or proceedings of the Authority or the Trustee with respect to which such Instrument is to be executed or delivered.

SECTION 1204. Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular bonds shall, pending such payment, be set aside and held in trust by it for the Holders of the Bonds entitled thereto, and for the purposes of the Resolution such interest, principal or Redemption Price, after the due date thereof, shall no longer be considered to be unpaid.

SECTION 1205. General Regulations as to Moneys and Funds. Each of the Funds and accounts referred to in Section 502 held by a Fiduciary shall be a true fund for the purpose thereof. Moneys in each of said Funds, on instructions signed by an Authorized Authority Representative, shall by the Fiduciary holding the same be invested in Investment Obligations, (1) in the case of the Construction Fund, maturing in the amounts and at the times necessary to provide funds to make the payments to which such moneys are applicable as stated in a Consulting Engineer's Certificate filed with the Trustee, (2) in the case of the Subordinated Bond Service Fund or Subordinated Sinking Fund, maturing in the amounts and at the times necessary to provide funds to make the payments to which such moneys are applicable as determined by the Trustee, and (3) in the case of the Subordinated General Fund. If the Trustee has not received the aforementioned instructions upon the maturity date of any Investment Obligation, the Trustee shall automatically reinvest said moneys. Obligations so purchased as an investment of moneys in any such Fund or account shall be deemed at all times to be a part of said Fund or account and, except as may be otherwise expressly provided in other Section of the Subordinated Bond Resolution, the interest thereon and

any profit arising on the sale thereof shall be credited to said Fund or account and any loss resulting on the sale thereof shall be charged to said Fund or account.

In computing the amount in any Fund or Account created under the provisions of the Resolution for any purpose provided in the Resolution, Investment Obligations purchased as an investment of moneys therein shall be valued at the cost of such Investment Obligations until such value shall be redetermined as provided in this Section. The accrued interest paid in connection with the purchase of any Investment Obligation shall be included in the value thereof until interest on such Investment Obligation is paid. The value of Investment Obligations held in any Fund or Account shall be redetermined at the time of any proposed transfer of such Investment Obligations to another Fund or Account and at such other times as an Authorized Authority Representative shall direct the Trustee in writing and the redetermined value of such Investment Obligations shall be the lower of cost or market value, exclusive of accrued interest, as determined by the Trustee.

Except as otherwise provided in the Resolution, the Trustee shall use its best efforts to sell, or present for redemption, any obligation so purchased as a investment whenever it shall be requested in writing by an Authorized Authority Representative to do so. Whenever it shall be necessary, or upon direction of an Authorized Authority Representative in accordance with the Resolution, in order to provide moneys to meet any payment or transfer from any Fund or Account held by the Trustee, the Trustee shall use its best efforts to sell or present for redemption such obligation or obligations designated by an Authorized Authority Representative necessary to provide sufficient moneys for such payment or transfer.

The Trustee shall not be liable or responsible for any loss resulting from any such investment, sale or presentation for investment made in the manner provided above.

The Authority shall have the right to enter into an investment advisory agreement appointing an agent who shall direct the Trustee as to the investment of all moneys in all Funds or accounts of the Authority which are the Trustee's custody or control under the Resolution. Such investment advisory agreement shall be effective upon its filing with the Trustee together with a resolution of the Authority authorizing such investment advisory agreement. Notwithstanding anything herein to the contrary, all investments by the Trustee shall be at the written direction of the Authority or the agent appointed under any investment advisory agreement.

SECTION 1206. Cancellation of Bonds. All Bonds purchased, redeemed or paid shall, if surrendered to the Authority or any Paying Agent, be cancelled by it and delivered to the Trustee, or if surrendered to the Trustee, be cancelled by it. No such Bonds shall be deemed Outstanding under the Resolution and no Bonds shall be issued in lieu thereof. All such Bonds prior to authentication shall be cancelled and destroyed and a certificate thereof delivered to the Authority.

SECTION 1207. Preservation and Inspection of Documents. All reports, certificates, statements, and other documents received by any Fiduciary under the provisions of the Resolution shall be retained in its possession and shall be available at all reasonable times to the inspection of the Authority, any other Fiduciary or any Bondholder, and their agents and their representatives, any of whom may make copies thereof, but any such reports, certificates, statements or other documents may, at the election of such Fiduciary, be destroyed or otherwise disposal of at any time six (6) years after such date as the pledge of the Revenues created by the Resolution shall be discharged as provided in Section 1201.

SECTION 1208. Form of Registered Bonds. Subject to the provisions of the Resolution and with such insertions or variances as to any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required or permitted by the Resolution, each registered Bond shall be in the form set forth in a Supplemental Resolution establishing the terms of such Bond.

SECTION 1209. Book Entry System. Details with respect to any book entry system for Bonds of a particular Series, may be determined by Supplemental Resolution adopted with respect to the Bonds of such Series.

SECTION 1210. No Recourse on Bonds. No recourse shall be had for the payment of the principal of or the interest on the Bonds or for any claim based thereon or on the Resolution against any member or officer of the Authority or any person executing the Bonds. The Bonds are not and shall not be in any way a debt or liability of the State of New Jersey or any county or municipality, and do not and shall not create or constitute any indebtedness, liability or obligations of said State or any county or municipality, either legal, moral or otherwise.

SECTION 1211. Effective Date. This Subordinated Bond Resolution shall take effect upon the date of authentication and delivery of the first Series of Bonds to be issued under and pursuant to this Resolution.

Exhibit A

Form of NJIB Note

FORM OF 2024 PROJECT NOTE

[NAME OF AUTHORITY]

NOTE

RELATING TO:

**THE STATE FISCAL YEAR _____ NEW JERSEY WATER BANK
BANK**

\$ _____, 20____
FP-24 -

FOR VALUE RECEIVED, _____, a [municipal][county] [utilities][sewerage] authority, acting as a public body corporate and politic with corporate succession duly created and validly existing pursuant to the laws of the State (as hereinafter defined), including, without limitation, the Borrower Enabling Act (as hereinafter defined), and its successors and assigns (the "Borrower"), hereby promises to pay to the order of the **NEW JERSEY INFRASTRUCTURE BANK**, a public body corporate and politic with corporate succession, duly created and validly existing under and by virtue of the Act (as hereinafter defined) (the "Trust"), the Principal (as hereinafter defined), together with all unpaid accrued Interest (as hereinafter defined), fees, late charges and other sums due hereunder, if any, in lawful money of the United States of America, on the Maturity Date (as hereinafter defined) or the date of any optional prepayment or acceleration in accordance with the provisions of this note (this "Note").

SECTION 1. Definitions. As used in this Note, unless the context requires otherwise, the following terms shall have the following meanings:

"Act" means the "New Jersey Environmental Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same may from time to time be amended and supplemented.

"Administrative Fee" means a fee of up to four-tenths of one percent (.40%) of that portion of the Principal identified in clause (i) of the definition thereof (as set forth in this Section 1), or such lesser amount, if any, as the I-Bank may determine from time to time.

"Anticipated Financing Program" means the financing program of the Trust, pursuant to which the I-Bank will issue its I-Bank Bonds for the purpose of financing, on a long term basis, the Project and other projects of certain qualifying borrowers.

"Anticipated Long Term Loan" means the long term loan made by the I-Bank to the Borrower from the proceeds of its I-Bank Bonds, as part of the Anticipated Financing Program.

"Authorized Officer" means any person authorized by the Borrower or the Trust, as the case may be, to perform any act or execute any document relating to the Loan or this Note.

“Borrower Subordinated Bond Resolution” means the [resolution][indenture] of the Borrower entitled “[]”, adopted on [], as amended and supplemented from time to time, pursuant to which this Note has been issued.

“Borrower Enabling Act” means the [“Sewerage Authorities Law”, constituting Chapter 138 of the Pamphlet Laws of 1946 of the State (codified at N.J.S.A. 40:15A-1 *et seq.*), as the same may from time to time be amended and supplemented,][the “Municipal and County Utilities Authority Law”, constituting Chapter 183 of the Pamphlet Laws of 1957 of the State (codified at N.J.S.A. 40:15B-1 *et seq.*, as the same may from time to time be amended and supplemented).]

“Code” means the Internal Revenue Code of 1986, as the same may from time to time be amended and supplemented, including any regulations promulgated thereunder, any successor code thereto and any administrative or judicial interpretations thereof.

“Cost” means those costs that are allocable to the Project, as shall be determined on a project-specific basis in accordance with the Regulations, as the same may be amended by subsequent eligible costs as evidenced by a certificate of an Authorized Officer of the Trust.

“Environmental Infrastructure Facilities” means Wastewater Treatment Facilities, Stormwater Management Facilities or Water Supply Facilities (as such terms are defined in the Regulations).

“Environmental Infrastructure System” means the Environmental Infrastructure Facilities of the Borrower, including the Project, for which the Borrower is receiving the Loan.

“Event of Default” means any occurrence or event specified in Section 6 hereof.

“Fund Portion” means, on any date, an amount equal to seventy-five percent (75%) of the Principal of the Loan on such date, which Fund Portion is expected to be refinanced on the Maturity Date from proceeds of a loan to be made to the Borrower by the State, acting by and through the New Jersey Department of Environmental Protection.

“I-Bank Bonds” means the revenue bonds of the I-Bank to be issued, as part of the Anticipated Financing Program.

“I-Bank Portion” means, on any date, an amount equal to twenty-five percent (25%) of the Principal of the Loan on such date, which I-Bank Portion is expected to be refinanced on the Maturity Date from proceeds of a loan to be made to the Borrower by the Trust.

“I-Bank Portion Interest Rate” means, with respect to the principal amount of each disbursement of proceeds of the I-Bank Portion of the Loan, (a) to the extent that such disbursement is funded from available moneys of the I-Bank not borrowed from a financial institution pursuant to a line of credit, the rate per annum, as of the date such disbursement is made available to the Borrower by the Trust, published as the Thompson Financial TM3 “AAA” Municipal Market Data General Obligation Index (Tax-Exempt), or, if such index is no longer published on such date, such successor index as may be selected by an Authorized Officer of the

Trust, in each case for the number of years that corresponds to the length of time from the date such disbursement is made available to the Borrower by the I-Bank to the Maturity Date; rounding up to the nearest year; or (b) to the extent that such disbursement is funded from available moneys of the I-Bank borrowed from a financial institution pursuant to a line of credit, the actual rate of interest established by the applicable financial institution pursuant to a competitive or negotiated solicitation by the I-Bank with respect to such line of credit. The applicable I-Bank Portion Interest Rate with respect to each disbursement shall be inserted by an Authorized Officer of the I-Bank into Exhibit A to this Note on the date such disbursement is made available to the Borrower by the Trust, and such Exhibit A shall be transmitted electronically by the I-Bank to the Borrower promptly following each disbursement.

"Interest" means the interest charged on the outstanding Principal of the Loan at a rate of (a) with respect to the I-Bank Portion of the Principal, the applicable I-Bank Portion Interest Rate and (b) with respect to the Fund Portion of the Principal, 0.00% and payable by the Borrower to the I-Bank (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan, on the date of such optional prepayment or acceleration, as the case may be.

"Loan" means the loan of the Principal, made by the I-Bank to the Borrower to finance or refinance a portion of the Cost of the Project, as evidenced by this Note.

"Loan Disbursement Requisition" means the requisition, to be executed by an Authorized Officer of the Borrower and approved by the New Jersey Department of Environmental Protection, in a form to be determined by the I-Bank and the New Jersey Department of Environmental Protection.

"Local Authority Fiscal Control Law" means the "Local Authorities Fiscal Control Law", constituting Chapter 313 of the Pamphlet Laws of 1983 of the State (codified at N.J.S.A. 40A:5A-1 *et seq.*), as the same may from time to time be amended and supplemented.

"Maturity Date" means _____, 20____, or such earlier or later date to be determined by the I-Bank in its sole discretion, which date shall be determined by the I-Bank to be the date of the closing for the Anticipated Financing Program.

"Principal" means the principal amount of the Loan, at any time being the lesser of (i) _____ Dollars (\$ _____), or (ii) the aggregate outstanding amount as shall actually be disbursed to the Borrower by the I-Bank pursuant to one or more Loan Disbursement Requisitions, which Principal shall be payable by the Borrower to the I-Bank (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan, on the date of such optional prepayment or acceleration, as the case may be.

"Project" means the Environmental Infrastructure Facilities of the Borrower which constitutes a project for which the I-Bank is making the Loan to the Borrower.

"Regulations" means the rules and regulations, as applicable, now or hereafter promulgated pursuant to N.J.A.C. 7:22-3 *et seq.*, 7:22-4 *et seq.*, 7:22-5 *et seq.*, 7:22-6 *et seq.*, 7:22-7 *et seq.*, 7:22-8 *et seq.*, 7:22-9 *et seq.* and 7:22-10 *et seq.*, as the same may from time to time be amended and supplemented.

“Revenues” means “[

Resolution.

] Revenues” as defined in the Borrower Note

“State” means the State of New Jersey.

SECTION 2. Representations of the Borrower. The Borrower represents and warrants to the Trust:

(a) Organization. The Borrower: (i) is a [municipal][county] [utilities][sewerage] authority, acting as a public body corporate and politic with corporate succession, duly created and validly existing under and pursuant to the Constitution and laws of the State, including, without limitation, the Borrower Enabling Act, and is subject to the Local Authorities Fiscal Control Law; (ii) has full legal right and authority to execute, attest and deliver this Note, to authorize the authentication of this Note, to sell this Note to the Trust, and to perform its obligations hereunder, and (iii) has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the issuance of this Note, the authentication of this Note, the sale thereof to the I-Bank and the due performance of its obligations hereunder and (B) the execution, delivery and due performance of all certificates and other instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out and give effect to this Note.

(b) Authority. This Note has been duly authorized by the Borrower, duly executed, attested and delivered by Authorized Officers of the Borrower, and duly authenticated by the trustee or the paying agent pursuant to the Borrower Subordinated Bond Resolution. This Note has been duly sold by the Borrower to the I-Bank and duly issued by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as the enforcement thereof may be affected by bankruptcy, insolvency or other laws or the application by a court of legal or equitable principles affecting creditors’ rights.

(c) Pending Litigation. There are no proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower that, if adversely determined, would adversely affect (i) the condition (financial or otherwise) of the Borrower, (ii) the adoption of the Borrower Subordinated Bond Resolution, (iii) the ability of the Borrower to satisfy all of its Loan repayment obligations hereunder, (iv) the authorization, execution, attestation, authentication or delivery of this Note, (v) the issuance of this Note and the sale thereof to the Trust, and (vi) the Borrower’s ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Note.

(d) Compliance with Existing Laws and Agreements; Governmental Consent. (i) The authorization, execution, attestation and delivery of this Note by the Borrower, (ii) the authentication of this Note by the trustee or paying agent pursuant to the Borrower Subordinated Bond Resolution, (iii) the adoption of the Borrower Subordinated Bond Resolution, (iv) the sale of this Note to the Trust, (v) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder, including, without limitation, the repayment of the Loan and all other amounts due hereunder, and (vi) the undertaking and completion of the Project, will not (A) other than the lien, charge or encumbrance created by this Note and by any other outstanding debt obligations of the Borrower that are at parity with this Note as to lien on, and

source and security for payment thereon from, the Revenues of the Borrower's Environmental Infrastructure System, result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Borrower pursuant to, (B) result in any breach of any of the terms, conditions or provisions of, or (C) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations are subject. The Borrower has obtained all permits and approvals required to date by any governmental body or officer for the authorization, execution, attestation, authentication and delivery of this Note, for the sale of this Note to the Trust, for the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Note, and for the undertaking and completion of the Project.

(e) Reliance. The Borrower hereby acknowledges that the I-Bank is making the Loan to the Borrower pursuant to the terms hereof in reliance upon each of the representations of the Borrower set forth in this Section 2.

SECTION 3. Covenants of the Borrower.

(a) Participation in the Anticipated Financing Program. The Borrower covenants and agrees that it shall undertake and complete in a timely manner all conditions precedent identified by the I-Bank relating to (i) the participation by the Borrower in the Anticipated Financing Program and (ii) the qualification by the Borrower for receipt of the Anticipated Long Term Loan.

(b) Full Faith and Credit Pledge. The Borrower irrevocably pledges the Revenues in accordance with the terms of, and to the extent provided in, the Borrower Subordinated Bond Resolution, for the punctual payment of any and all obligations and amounts due under this Note. The Borrower acknowledges that, to assure the continued operation and solvency of the Trust, the I-Bank may, pursuant to and in accordance with Section 12a of the Act, require that if the Borrower fails or is unable to pay promptly to the I-Bank in full any Loan repayments, any Interest or any other amounts due pursuant to this Note, an amount sufficient to satisfy such deficiency shall be paid by the State Treasurer to the I-Bank from State-aid otherwise payable to any municipality or county to which the Borrower provides services pursuant to a contractual arrangement.

(c) Disposition of Environmental Infrastructure System. The Borrower covenants and agrees that it shall not sell, lease, abandon or otherwise dispose of all or substantially all of its Environmental Infrastructure System without the express written consent of the Trust, which consent may or may not be granted by the I-Bank in its sole discretion.

(d) Financing With Tax-Exempt Bonds. The Borrower acknowledges, covenants and agrees that it is the intention of the Borrower to finance the Project on a long term basis with proceeds of I-Bank Bonds now or hereinafter issued, the interest on which is excluded from gross income for purposes of federal income taxation pursuant to Section 103(a) of the Code ("tax-

exempt bonds"). In furtherance of such long term financing with tax-exempt bonds, the Borrower covenants that, except to the extent expressly permitted in writing by the Trust, the Borrower will not take any action or permit any action to be taken which would result in any of the proceeds of the Loan being used (directly or indirectly) (i) in any "private business use" within the meaning of Section 151(b)(6) of the Code, (ii) to make or finance loans to persons other than the Borrower, or (iii) to acquire any "nongovernmental output property" within the meaning of Section 151(d)(2) of the Code. In addition, the Borrower covenants and agrees that no portion of the Project will be investment property, within the meaning of Section 158(b) of the Code. The Borrower covenants and agrees that any Costs of the Borrower's Project to be paid or reimbursed with proceeds of the Loan will result in the expenditure of proceeds under Treasury Regulations §1.158-6(d) and Treasury Regulations §1.150-2.

(e) Operation and Maintenance of Environmental Infrastructure System. The Borrower covenants and agrees that it shall maintain its Environmental Infrastructure System in good repair, working order and operating condition, and make all necessary and proper repairs and improvements with respect thereto.

(f) Records and Accounts; Inspections. The Borrower covenants and agrees that it shall keep accurate records and accounts for its Environmental Infrastructure System, separate and distinct from its other records and accounts, which shall be audited annually by an independent registered municipal accountant and shall be made available for inspection by the I-Bank upon prior written notice. The Borrower shall permit the I-Bank to inspect the Environmental Infrastructure System.

(g) Insurance. The Borrower covenants and agrees that it shall maintain insurance policies providing against risk of direct physical loss, damage or destruction of its Environmental Infrastructure System, in an amount that will satisfy all applicable regulatory requirements. The Borrower covenants and agrees that it shall include, or cause to be included, the I-Bank as an additional "named insured" on any certificate of liability insurance procured by the Borrower and by any contractor or subcontractor for the Project.

(h) Reliance. The Borrower hereby acknowledges that the I-Bank is making the Loan to the Borrower pursuant to the terms hereof in reliance upon each of the covenants of the Borrower set forth in this Section 3.

SECTION 4. Disbursement of the Loan Proceeds; Amounts Payable; Prepayment; and Late Fee. The I-Bank shall effectuate the Loan to the Borrower by making one or more disbursements to the Borrower promptly after receipt by the I-Bank of a Loan Disbursement Requisition, each such disbursement and the date thereof to be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A hereto. The latest date upon which the Borrower may submit to the I-Bank a Loan Disbursement Requisition is the business day immediately preceding the date fixed by the I-Bank for the sale of its bonds in connection with the Anticipated Financing Program. On the Maturity Date, the Borrower shall repay the Loan to the I-Bank in an amount equal to: (i) the Principal; (ii) the Interest; (iii) the Administrative Fee, if any; and (iv) any other amounts due and owing pursuant to the provisions of this Note. Any earnings accrued on the undrawn I-Bank Portion of the Principal of the Loan shall be credited against the Borrower's repayment obligations hereunder. The Borrower may prepay the Loan the Loan obligations hereunder, in whole or in part, upon receipt of the prior written consent of an

Authorized Officer of the Trust. Each payment made to the I-Bank shall be applied to the payment of, first, the Interest then due and payable, second, the Principal, third, the Administrative Fee, if obligations hereunder, in whole or in part, upon receipt of the prior written consent of an any, fourth, any late charges, and, finally, any other amount due pursuant to the provisions of this Note. In the event that the repayment obligation set forth in this Note is received by the I-Bank later than the Maturity Date, a late fee shall be payable to the I-Bank in an amount equal to the greater of twelve percent (12%) per annum or the prime rate as published in the Wall Street Journal on the Maturity Date plus one half of one percent per annum on such late payment from the Maturity Date to the date it is actually paid; provided, however, that any late payment charges incurred hereunder shall not exceed the maximum interest rate permitted by law.

SECTION 5. Unconditional Obligations. The obligation of the Borrower to make the Loan repayments and all other payments required hereunder and the obligation to perform and observe the other duties, covenants, obligations and agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner whatsoever while any Loan repayments, or any other payments due hereunder, remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project or Environmental Infrastructure System, commercial frustration of the purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the I-Bank to perform and observe any agreement or any duty, liability or obligation arising out of this Note, or any rights of set-off, recoupment, abatement or counterclaim that the Borrower might have against the I-Bank or any other party; provided, however, that payments hereunder shall not constitute a waiver of any such rights.

SECTION 6. Events of Default. The following events shall constitute an "Event of Default" hereunder: (i) failure by the Borrower to pay, when due, any and all of its Loan repayment obligations hereunder, and any other payment obligations due hereunder; (ii) failure by the Borrower to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed pursuant to the terms of this Note; (iii) any representation made by the Borrower contained in this Note or in any instrument furnished in compliance with or with reference to this Note is false or misleading in any material respect; and (iv) a petition is filed by or against the Borrower under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Note or thereafter enacted, unless in the case of any such petition filed against the Borrower such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal, or the Borrower shall become insolvent or bankrupt or shall make an assignment for the benefit of its creditors, or a custodian of the Borrower or any of its property shall be appointed by court order or take possession of the Borrower or its property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

SECTION 7. Remedies upon Event of Default. Whenever an Event of Default shall have occurred and be continuing pursuant to the terms hereof, the Borrower hereby acknowledges and agrees to the rights of the I-Bank to take any action permitted or required at

law or in equity to collect the amounts then due and thereafter to become due hereunder or to enforce the observance and performance of any duty, covenant, obligation or agreement of the Borrower hereunder. If an Event of Default shall have occurred, the Borrower hereby acknowledges and agrees that the I-Bank shall have the right to declare all Loan repayments and all other amounts due hereunder to be due and payable immediately without further notice or demand. The Borrower hereby acknowledges and agrees that no remedy herein is intended to be exclusive, and every remedy shall be cumulative and in addition to every other remedy given under this Note or now or hereafter existing at law or in equity. The Borrower hereby further acknowledges and agrees that no delay or omission by the I-Bank to exercise any remedy or right accruing upon any Event of Default shall impair any such remedy or right or shall be construed to be a waiver thereof, but any such remedy or right may be exercised as often as may be deemed expedient. The Borrower hereby agrees that upon demand it shall pay to the I-Bank the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred in the collection of Loan repayments or any sum due hereunder or in the enforcement of the observation or performance of any obligations or agreements of the Borrower upon an Event of Default. Any moneys collected by the I-Bank pursuant to this Section 7 shall be applied first to pay any attorneys' fees or other fees and expenses owed by the Borrower.

SECTION 8. Certain Miscellaneous Provisions. The Borrower hereby agrees as follows: (a) all notices hereunder shall be deemed given when hand delivered or when mailed by registered or certified mail, postage prepaid, to the Borrower at the following address: [Name and Address of Borrower, Attention: Name of Authorized Officer]; and to the I-Bank at the following address: New Jersey Infrastructure Bank , 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey 08648-2201, Attention: Executive Director; (b) this Note shall be binding upon the Borrower and its successors and assigns; (c) in the event any provision of this Note is held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof; (d) the obligations of the Borrower pursuant to the terms of this Note may not be assigned by the Borrower for any reason, unless the I-Bank shall have approved said assignment in writing; (e) this Note may not be amended, supplemented or modified without the prior written consent of the Trust; (f) this Note shall be governed by and construed in accordance with the laws of the State; (g) the Borrower shall, at the request of the Trust, execute and deliver such further instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Note; and (h) whenever the Borrower is required to obtain the determination, approval or consent of the I-Bank pursuant to the terms hereof, such determination, approval or consent may be either granted or withheld by the I-Bank in its sole and absolute discretion.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed, sealed and delivered on the date first above written.

[NAME OF BORROWER]

[SEAL]

ATTEST:

Kat MA

By:

Matt

Authorized Officer

Charm

Authorized Officer

RESOLUTION OF THE WASHINGTON TOWNSHIP MUNICIPAL UTILITY AUTHORITY, DETERMINING THE FORM AND OTHER DETAILS OF ITS "NOTE RELATING TO THE CONSTRUCTION FINANCING PROGRAM OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST", TO BE ISSUED IN THE PRINCIPAL AMOUNT OF UP TO \$6,500,000, AND PROVIDING FOR THE ISSUANCE AND SALE OF SUCH NOTE TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH NOTE BY THE WASHINGTON TOWNSHIP MUNICIPAL UTILITY AUTHORITY, IN FAVOR OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST, ALL PURSUANT TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST CONSTRUCTION FINANCING PROGRAM.

WHEREAS, the Washington Township Municipal Utility Authority (the "Local Unit") has determined that there exists a need to acquire, construct, renovate or install a project consisting of the Authority's public water and sewer systems, including but not limited to repainting of the Authority's water tanks and replacement of a deteriorated section of sewer main, and each including design and engineering services (the "Project"), and it is the desire of the Local Unit to obtain financing for such Project through participation in the environmental infrastructure financing program (the "Environmental Infrastructure Financing Program") of the New Jersey Environmental Infrastructure Trust (the "Trust");

WHEREAS, the Local Unit has determined to temporarily finance the acquisition, construction, renovation or installation of the Project prior to the closing with respect to the Environmental Infrastructure Financing Program, and to undertake such temporary financing with the proceeds of a short-term loan to be made by the Trust (the "Construction Loan") to the Local Unit, pursuant to the Construction Financing Program of the Trust (the "Construction Financing Program");

WHEREAS, in order to (i) evidence and secure the repayment obligation of the Local Unit to the Trust with respect to the Construction Loan and (ii) satisfy the requirements of the Construction Financing Program, it is the desire of the Local Unit to issue and sell to the Trust the "Note Relating to the Construction Financing Program of the New Jersey Environmental Infrastructure Trust" in an aggregate principal amount of up to \$6,500,000 (the "Note");

WHEREAS, it is the desire of the Local Unit to authorize, execute, attest and deliver the Note to the Trust pursuant to the terms of (i) the "Municipal and County Utilities Authority Law", constituting Chapter 183 of the Pamphlet Laws of 1957 of the State of New Jersey (codified at N.J.S.A. 40:14B-1 *et seq.*, as the same may from time to time be amended and supplemented) (the "Local Unit Enabling Act") and the "Local Authorities Fiscal Control Law", constituting Chapter 313 of the Pamphlet Laws of 1983 of the State of New Jersey (codified at N.J.S.A. 40A:5A-1 *et seq.*), as the same may from time to time be amended and supplemented (the "Local Authorities Fiscal Control Law"); and

WHEREAS, Section 12 of the Local Authorities Fiscal Control Law and N.J.S.A. 58:11B-9 each allow for the sale of the Note to the Trust, without any public offering, all pursuant to the terms and conditions set forth therein.

NOW, THEREFORE, BE IT RESOLVED by the governing body of the Local Unit as follows:

Section 1. In accordance with Section 12 of the Local Authorities Fiscal Control Law and N.J.S.A. 58:11B-9, the Local Unit hereby authorizes the issuance, sale and award of the Note in accordance with the provisions hereof. The obligation represented by the Note has been authorized by the resolution of the Local Unit, which resolution is entitled “Supplemental Bond Resolution of the Washington Township Municipal Utilities Authority Authorizing the Issuance of not to Exceed \$6,500,000 in Utility System Revenue Bonds or Notes to finance the Same” (the “Local Unit Note Resolution”) and was finally adopted by the Local Unit at a meeting duly called and to be held on September 30, 2024, at which time a quorum was present and acted throughout, all pursuant to the terms of the Local Unit Enabling Act, the Local Authorities Fiscal Control Law and other applicable law.

Section 2. The Executive Director of the Local Unit (the “Executive Director”) is hereby authorized to determine pursuant to the terms and conditions hereof and of the Local Unit Note Resolution (i) the final principal amount of the Note (subject to the maximum limitation set forth in Section 4(a) hereof), and (ii) the dated date of the Note.

Section 3. Any determination made by the Executive Director pursuant to the terms hereof shall be conclusively evidenced by the execution and attestation of the Note by the parties authorized pursuant to Section 4(h) hereof.

Section 4. The Local Unit hereby determines that certain terms of the Note shall be as follows:

- (a) the principal amount of the Note to be issued shall be an amount up to \$6,500,000;
- (b) the maturity of the Note shall be as determined by the Trust;
- (c) the interest rate of the Note shall be as determined by the Trust;
- (d) the purchase price for the Note shall be par;
- (e) the Note shall be subject to prepayment prior to its stated maturity in accordance with the terms and conditions of the Note;
- (f) the Note shall be issued in a single denomination and shall be numbered “CFP-___ - ___”;
- (g) the Note shall be issued in fully registered form and shall be payable to the registered owner thereof as to both principal and interest in lawful money of the United States of America; and
- (h) the Note shall be executed by the manual or facsimile signatures of the Chairman or Executive Director of the Local Unit under official seal or facsimile thereof affixed, printed, engraved or reproduced thereon and attested by the manual signature of the Secretary of the Local Unit (the “Secretary”).

Section 5. The Note shall be substantially in the form attached hereto as Exhibit A.

Section 6. The law firm of Malamut and Associates, LLC is hereby authorized to arrange for the printing of the Note, which law firm may authorize McCarter & English, LLP, bond counsel to the Trust for the Construction Financing Program, to arrange for same.

Section 7. The Executive Director of the Local Unit is hereby further authorized to (i) execute and deliver, and the Secretary is hereby further authorized to attest to such execution and to affix the corporate seal of the Local Unit to, any document, instrument or closing certificate deemed necessary, desirable or convenient by the Executive Director or the Secretary, as applicable, in their respective sole discretion, after consultation with counsel and any advisors to the Local Unit and after further consultation with the Trust and its representatives, agents, counsel and advisors, to be executed in connection with the issuance and sale of the Note and the participation of the Local Unit in the Construction Financing Program, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Executive Director and the Secretary deem necessary, desirable or convenient in relation to the execution and delivery of the Note and the participation of the Local Unit in the Construction Financing Program.

Section 8. This resolution shall take effect immediately.

Section 9. Upon the adoption hereof, the Secretary shall forward certified copies of this resolution to Washington Township Municipal Utility Authority, bond counsel to the Local Unit, David Zimmer, Executive Director of the Trust, and Richard T. Nolan, Esq., McCarter & English, LLP, bond counsel to the Trust.

CERTIFICATE

I, the undersigned Secretary of The Township of Washington Township Municipal Utilities Authority, a body corporate and politic of the State of New Jersey, HEREBY CERTIFY that the foregoing resolution entitled "Resolution Of The Washington Township Municipal Utility Authority, Determining The Form And Other Details Of Its "Note Relating To The Construction Financing Program Of The New Jersey Environmental Infrastructure Trust", To Be Issued In The Principal Amount Of Up To \$6,500,000, And Providing For The Issuance And Sale Of Such Note To The New Jersey Environmental Infrastructure Trust, And Authorizing The Execution And Delivery Of Such Note By The Washington Township Municipal Utility Authority, In Favor Of The New Jersey Environmental Infrastructure Trust, All Pursuant To The New Jersey Environmental Infrastructure Trust Construction Financing Program" is a true copy of an original resolution which was duly adopted by said Authority at a meeting which was duly called and held on September 30, 2024 and at which a quorum was present and acted throughout, and that said copy has been compared by me with the original resolution recorded in the records of the Authority and that it is a correct transcript thereof and of the whole of said resolution, and that said original resolution has not been altered, amended or repealed but is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of September, 2024.

**THE WASHINGTON TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY**

By: 
Dawn Passante, Secretary

**RESOLUTION OF THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES
AUTHORITY APPROVAL OF 107 BRYANT ROAD TANK LEASE CONTRACT TO
VERIZON WIRELESS CONSISTENT WITH THE TERMS OF THE CONTRACT**

WHEREAS, the Washington Township Municipal Utilities Authority ("Authority"), a duly constituted public body in the County of Gloucester, State of New Jersey, has determined there is a need to authorize the Executive Director/CFO of the Authority to execute a Water Tower Lease Agreement with Cellco Partnership d/b/a Verizon Wireless; and

WHEREAS, the Authority finds that it is appropriate to execute the Water Tower Lease Agreement with Cellco Partnership d/b/a Verizon Wireless, which Water Tower Lease Agreement is hereby incorporated and attached to this Resolution.

NOW, THEREFORE BE IT RESOLVED, upon proper motion and vote at a public meeting by the Washington Township Municipal Utilities Authority, in the County of Gloucester, State of New Jersey, that the Executive Director/CFO of the Authority is authorized to:

1. Execute the Water Tower Lease Agreement with Cellco Partnership d/b/a Verizon Wireless.
2. The Authority's Officers and Professionals are authorized to take the actions necessary to achieve the purposes of this Resolution.

ADOPTED by Washington Township Municipal Utilities Authority on September 30, 2024.

ATTEST:



Dawn Passante, Secretary

**Washington Township Municipal
Utilities Authority**



Matt Gorman, Chairman

**RESOLUTION OF THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES
AUTHORITY TO CHANGE THE DECEMBER 30, 2024 BOARD MEETING TO
DECEMBER 23, 2024**

WHEREAS, the Washington Township Municipal Utilities Authority ("Authority"), a duly constituted public body in the County of Gloucester, State of New Jersey, previously adopted a resolution establishing the 2024-2025 Authority Meeting Schedule; and

WHEREAS, the Authority finds that it is appropriate to change the December 30, 2024 Board Meeting to December 23, 2024.

NOW, THEREFORE BE IT RESOLVED, upon proper motion and vote at a public meeting by the Washington Township Municipal Utilities Authority, in the County of Gloucester, State of New Jersey, and in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et. seq., that:

1. The December 30, 2024 Board Meeting date is changed to December 23, 2024.
2. The Authority will publish a notice of the Board Meeting date change to December 23, 2024 in the official newspaper of the Authority, post on the official website of the Authority, post on the official bulletin board of the Authority, and supply such notice to the Washington Township Clerk's Office.

ADOPTED by Washington Township Municipal Utilities Authority on September 30, 2024.

ATTEST:


Dawn Passante, Secretary

**Washington Township Municipal
Utilities Authority**


Matt Gorman, Chairman

**RESOLUTION OF THE WASHINGTON TOWNSHIP MUNICIPAL UTILITIES
AUTHORITY TO ENTER INTO A CLOSED SESSION TO DISCUSS
PERSONNEL MATTERS**

WHEREAS, the Washington Township Municipal Utilities Authority ("Authority"), a duly constituted public body in the County of Gloucester, State of New Jersey, has determined there is a need to discuss the following subject(s) in closed session:

Personnel matters.

NOW, THEREFORE BE IT RESOLVED, upon proper motion and vote at a public meeting by the Washington Township Municipal Utilities Authority, in the County of Gloucester, State of New Jersey as follows:


1. The Authority entered into closed session to discuss the topic(s) above on September 30, 2024.
2. The closed session minutes may be made available to the public shortly after the Authority adopts them by proper motion and vote.

ADOPTED by Washington Township Municipal Utilities Authority on September 30, 2024.

ATTEST:


Dawn Passante, Secretary

**Washington Township Municipal
Utilities Authority**


Matt Gorman, Chairman