

**NORTHWEST BERGEN COUNTY UTILITIES AUTHORITY**

**NOTICE**

**PUBLIC HEARING**

The Chairman of the Northwest Bergen County Utilities Authority (the “Authority”) has scheduled a meeting of the Authority Commissioners on Tuesday, April 17, 2018 at 7:00 pm following the Work Session to be held at the Authority Offices, 30 Wyckoff Avenue, Waldwick, New Jersey. This meeting is being held for the following purposes and the taking of formal action on the following matters relating to the issuance of Project Notes of the Northwest Bergen County Utilities Authority in connection with the Construction Financing Loan Program of the New Jersey Infrastructure Bank:

1. Public Hearing on the Project Reports of the Consulting Engineer, the Consulting Engineer’s Certificates and Accountant’s Certificates in connection with various sewer improvements including Improvements to the Authority’s Wastewater Treatment Pump Stations (2018A Project), the Authority’s Wastewater Treatment Facility (2018B Project) and the Authority’s Gravity Interceptor Piping System and Manholes (2018C Project), and the resolution authorizing the issuance of the Project Notes (the “ Note Resolution”).
2. Adoption of the Note Resolution.
3. To consider and act upon any other business which may properly come before this meeting.

BY ORDER OF THE CHAIRMAN

Alison Gordon, Secretary

April 13, 2018

# **NORTHWEST BERGEN COUNTY UTILITIES AUTHORITY**

## SPECIAL MEETING – PUBLIC HEARING

### AGENDA

April 17, 2018

1. Meeting called to order.
2. Chairman's State in compliance with C. 231, PL 1975.
3. Roll Call.
4. Salute to the Flag.
5. Chairman's Remarks.
6. Discussion on the Project Reports of the Consulting Engineer, the Consulting Engineer's Certificates and Accountant's Certificate in connection with various sewer improvements including Improvements to the Authority's Wastewater Treatment Pump Stations (2018A Project), the Authority's Wastewater Treatment Facility (2018B Project) and the Authority's Gravity Interceptor Piping System and Manholes (2018C Project), and the Resolution authorizing the issuance of the Project Notes (the "Note Resolution")
7. Public hearing regarding same.
8. Vote on Resolution No. 46-2018 – Resolution authorizing the issuance of Project Notes of the Northwest Bergen County Utilities Authority in connection with the Construction Financing Loan Program of the New Jersey Environmental Infrastructure Bank
9. Public Comments.
10. Adjournment.

April 13, 2018

**NORTHWEST BERGEN COUNTY UTILITIES AUTHORITY**

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**RESOLUTION**

**No. 46-2018**

**Date: April 17, 2018**

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**RESOLUTION AUTHORIZING THE ISSUANCE OF  
PROJECT NOTES OF THE NORTHWEST BERGEN  
COUNTY UTILITIES AUTHORITY IN CONNECTION  
WITH THE CONSTRUCTION FINANCING LOAN  
PROGRAM OF THE NEW JERSEY ENVIRONMENTAL  
INFRASTRUCTURE BANK**

**ADOPTED APRIL 17, 2018**

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**CHAIRMAN**

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**SECRETARY**

	Bonagura	Chewcaskie	Danubio	Gabbert	Kelahr	Lo Iacono	Plumley	Kasparian
Offered								
Seconded								
Aye								
Nay								
Absent								
Abstain								
Recuse								

## TABLE OF CONTENTS

	<b>Page</b>
ARTICLE I.....	2
Definitions and Interpretations.....	2
Section 101    Short Title .....	2
Section 102    Definitions.....	2
Section 103    Articles and Sections.....	7
Section 104    Certain Terms Used .....	7
Section 105    Certain Other Words .....	7
Section 106    Successors and Assigns.....	7
Section 107    Severability of Invalid Provisions .....	7
Section 108    Applicable Law .....	8
ARTICLE II .....	9
Statutory Determination, Obligation of the Authority and Limitation on Amount of Financing .....	9
Section 201    Authority for Project Note Resolution .....	9
Section 202    Authorization for the Initial Project .....	9
Section 203    Estimated Cost of the Initial Project .....	9
Section 204    Project Note Resolution to Constitute Contract.....	10
Section 205    Obligation of Project Notes .....	10
ARTICLE III .....	11
Authorization, Terms, Execution and Issuance of the Project Notes.....	11
Section 301    Authorization of Initial Project Notes .....	11
Section 302    General Terms of Project Notes.....	11
Section 303    Execution of Project Notes .....	12
Section 304    Authentication of Registered Project Notes.....	12
Section 305    Interchangeability of Project Notes.....	13
Section 306    Transfer and Registry of Project Notes and Agency Therefor.....	13
Section 307    Negotiability, Transfer and Registration of Project Notes Payable to Bearer .....	13
Section 308    Transfer of Registered Project Notes .....	13

**TABLE OF CONTENTS (cont.)**

	<b>Page</b>
Section 309	Ownership of Project Notes and Effect of Registration..... 14
Section 310	Reissuance of Mutilated, Destroyed, Stolen or Lost Project Notes..... 14
Section 311	Regulations with Respect to Registrations, Exchanges and Transfers..... 15
Section 312	No Recourse On Project Notes ..... 15
Section 313	Application of Proceeds of Project Notes ..... 15
Section 314	Authorization of Additional Project Notes ..... 15
Section 315	Conditions Precedent to the Issuance of Project Notes..... 16
Section 316	Redemption of Project Notes ..... 17
Section 317	Form of Project Notes ..... 17
ARTICLE IV.....	29
Remedies.....	29
Section 401	Remedies ..... 29
Section 402	Right to Enforce Payment of Project Notes Unimpaired ..... 29
ARTICLE V.....	30
Pledge Securing the Project Notes and Special Accounts .....	30
Section 501	Pledge Securing the Project Notes ..... 30
Section 502	Establishment of Accounts ..... 30
Section 503	Debt Service Account ..... 30
Section 504	Project Account..... 30
Section 505	Investments ..... 31
ARTICLE VI.....	32
Redemption of Project Notes .....	32
Section 601	Privilege of Redemption and Redemption Prices ..... 32
Section 602	Selection of Project Notes to be Redeemed by Lot..... 32
Section 603	Notice of Redemption..... 32
Section 604	Authority’s Election to Redeem..... 33
Section 605	Payment of Redeemed Project Notes..... 33

**TABLE OF CONTENTS (cont.)**

	<b>Page</b>
ARTICLE VII .....	35
The Fiduciaries.....	35
Section 701      Paying Agents, Registrar and Securities Depository.....	35
Section 702      Responsibilities of Fiduciaries .....	35
Section 703      Funds Held in Trust .....	36
Section 704      Evidence on Which Fiduciaries May Act .....	36
Section 705      Compensation and Expenses.....	36
Section 706      Certain Permitted Acts .....	36
Section 707      Resignation of Fiduciary .....	37
Section 708      Removal .....	37
Section 709      Appointment of Successor Fiduciary .....	37
Section 710      Transfer of Rights and Property to Successor Fiduciary.....	38
Section 711      Merger or Consolidation .....	38
Section 712      Adoption of Authentication .....	38
ARTICLE VIII .....	39
Miscellaneous .....	39
Section 801      Covenants by the Authority .....	39
Section 802      Defeasance .....	39
Section 803      Supplemental Project Note Resolutions Effective Upon Filing .....	40
Section 804      Supplemental Project Note Resolutions Effective With The Opinion of Bond Counsel .....	41
Section 805      Authorized Acts of Officers .....	41
Section 806      Effective Date .....	41
Section 807      Filing .....	41

**RESOLUTION AUTHORIZING THE ISSUANCE OF PROJECT NOTES OF THE NORTHWEST BERGEN COUNTY UTILITIES AUTHORITY IN CONNECTION WITH THE CONSTRUCTION FINANCING LOAN PROGRAM OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE BANK**

**WHEREAS**, the Northwest Bergen County Utilities Authority (the “Authority”) has been duly created as a public body corporate and politic pursuant to the Municipal and County Utilities Authority Law, constituting Chapter 1957 of the Pamphlet Laws of 183, of the State of New Jersey and the acts amendatory thereof and supplemental thereto (the “Act”); and

**WHEREAS**, pursuant to the terms of the Act, the Authority is empowered to design, initiate, acquire, own, lease, construct, maintain, repair and operate projects or cause the same to be operated pursuant to a lease, sublease, or agreement with any person or governmental agency and to issue notes or bonds of the Authority to finance such projects; and

**WHEREAS**, the Authority desires to authorize the issuance of bonds and/or other forms of indebtedness to finance projects relating to various sewer improvements, including (a) improvements to the Authority’s wastewater pump stations, including Midland Park Pump Station, Ho-Ho-Kus Pump Station, Darlington Pump Station and Goffle Road Pump Station, (b) improvements at the wastewater treatment plant facility located in Waldwick, New Jersey and (c) improvements to the Authority’s gravity interceptor piping system and manoles; and

**WHEREAS**, the Authority has determined that there exists a need to acquire, construct, renovate or install a project consisting of the Initial Project (as hereinafter defined), and it is the desire of the Authority to obtain financing for such Initial Project through participation in the environmental infrastructure financing program (the “Environmental Infrastructure Financing Program”) of the New Jersey Environmental Infrastructure Bank (the “Bank”); and

**WHEREAS**, the Authority has determined to temporarily finance the acquisition, construction, renovation or installation of the Initial Project prior to the bond closing with respect to the Environmental Infrastructure Financing Program, and to undertake such temporary financing with the proceeds of an interim loan to be made by the Bank (the “Interim Loan”) to the Authority, pursuant to the Construction Financing Loan Program of the Bank (the “Construction Financing Program”); and

**WHEREAS**, in order to (i) evidence and secure the repayment obligation of the Authority to the Bank with respect to the Interim Loan and (ii) satisfy the requirements of the Construction Financing Program, it is the desire of the Authority to issue and sell to the Bank one or more “Notes Relating to the Construction Financing Loan Program of the New Jersey Environmental Infrastructure Bank” in an aggregate principal amount of up to \$21,900,000 (the “Initial Project Notes”); and

**WHEREAS**, it is the desire of the Authority to authorize, execute, attest and deliver the Initial Project Note to the Bank pursuant to the terms of the Act; and

**WHEREAS**, Section 27 of the Act and N.J.S.A. 58:11B-9 each allow for the sale of the Project Note to the Bank, without any public offering, all pursuant to the terms and conditions set forth therein; and

**WHEREAS**, the Authority desires to, among other things, specify and determine the terms and conditions with respect to the Project Notes to be authorized for issuance hereunder.

**NOW, THEREFORE, BE IT RESOLVED BY THE NORTHWEST BERGEN COUNTY UTILITIES AUTHORITY**, as follows:

## **ARTICLE I**

### **Definitions and Interpretations**

Section 101 Short Title. This resolution may hereafter be cited by the Authority, and is hereinafter sometimes referred to as the “Project Note Resolution”.

Section 102 Definitions. As used or referred to in this resolution, unless a different meaning clearly appears from the context: “Act” means the Municipal and County Utilities Authority Law constituting Chapter 183 of the Pamphlet Laws of 1957 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto;

“Additional Project Notes” means any of the Project Notes of the Authority authorized and issued pursuant to Section 314 hereof, and any notes issued in lieu of or in substitution for such notes pursuant to this Project Note Resolution;

“Authority” means the Northwest Bergen County Utilities Authority, a public body corporate and politic created and existing under and by virtue of the Act;

“Authority Officer” or “Authorized Officer” means the Chairman, Vice Chairman, Treasurer, Secretary or Executive Director or such other member or employee of the Authority designated by a resolution to act on behalf of the Authority under this Project Note Resolution;

“Bank Act” means the “New Jersey 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;

“Bond” means any of the bonds of the Authority which shall be authenticated and delivered under and pursuant to the terms of the Subordinated Trust Indenture;

“Bond Counsel” means any nationally recognized law firm of recognized standing selected by the Authority;

“Book-Entry Note” means any Project Notes which is issued in book-entry form as evidenced by a single certificate which is registered and delivered to a Securities Depository;



“Certificate of Authority Officer” means any certificate which is executed by an Authority Officer who has been authorized by the Authority in order to make those determinations permitted to be determined thereby by this Project Note Resolution and which are not otherwise inconsistent with the terms of this Project Note Resolution or the terms of any Supplemental Project Note Resolution;

“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 or Costs” means cost or costs as defined in the Act, including capitalized interest on any Project Notes;

“Debt Service Account” means the account so designated which is established and created by Section 502 hereof;

“District” means the geographic district of the Authority as it exists from time to time in accordance with the Act;

“Fiduciary” means the Paying Agent or Registrar;

“Initial Project” means the project to be financed by the Initial Project Notes, consisting of various sewer improvements, including (a) improvements to the Authority’s wastewater pump stations, including Midland Park Pump Station, Ho-Ho-Kus Pump Station, Darlington Pump Station and Goffle Road Pump Station, (b) improvements at the wastewater treatment plant facility located in Waldwick, New Jersey and (c) improvements to the Authority’s gravity interceptor piping system and manoles;

“Initial Project Notes” means any of the Project Notes authorized herein which may be issued pursuant to Section 301 hereof, and any notes issued in lieu of or in substitution for such notes pursuant to this Project Note Resolution;

“Investment Obligations” shall mean, to the extent permitted by law, (a) any direct and general obligation of or any obligation fully and unconditionally guaranteed by the United States of America including obligations that do not pay current interest; (b) any bond, debenture, note, participation certificate or other evidence of indebtedness issued or guaranteed by any of the following agencies: Bank for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Bank System, Federal Land Banks, Federal National Mortgage Association, Government National Mortgage Association, Farmers Home Administration and Student Loan Marketing Association; (c) negotiable or nonnegotiable certificates of deposit issued by any bank, savings and loan association, trust company or national banking association (which may include any Fiduciary), and which certificates of deposit, except in the case of certificates of deposit issued by a bank, savings and loan association, trust company or national banking association (which may include any Fiduciary) either located in the State and eligible to accept deposits pursuant to the New Jersey Governmental Unit Deposit Protection Act or having capital stock and surplus of more than \$100,000,000, shall be continuously secured by obligations described in clauses (a),

(b) or (d) of this definition, that shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Paying Agent by the bank, the savings and loan association, the trust company or the national banking association (which may include any Fiduciary) issuing such certificates of deposit; (d) full faith and credit obligations of the State or of any political subdivision thereof or revenue obligations of the State or of any political subdivision thereof rated in any of the three highest applicable rating categories by Standard & Poor's Ratings Services and Moody's Investors Services, Inc., respectively, if such rating agency then has an outstanding rating on the Project Notes or, if neither of such rating agencies then has an outstanding rating on the Project Notes, by any nationally recognized rating agency; (e) deposits in interest bearing accounts in any bank, savings and loan association, trust company or national banking association (which may include any Fiduciary) either located in the State and eligible to accept deposits pursuant to the New Jersey Governmental Unit Deposit Protection Act or having capital stock and surplus of more than \$100,000,000; (f) shares or beneficial interests in an investment fund or trust (including any money market fund or mutual fund customarily utilized by the Paying Agent) and whose assets consist solely of obligations described in clauses (a) or (b) of this definition; (g) interests in the State of New Jersey Cash Management Fund; (h) any investment agreement with any bank, trust company or national banking association (which may include any Fiduciary) having a capital stock and surplus of more than \$100,000,000 or with any government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York or Philadelphia for the purchase of securities described in clause (a) or (b) above, provided such investment agreements shall be continuously secured by obligations described in clauses (a) or (b) of this definition having a market value at all times at least equal to the principal amount invested in such investment agreement, and provided further that the investment agreement shall have been approved by Standard & Poor's Ratings Services and Moody's Investors Service, Inc., respectively, if it then has an outstanding rating on the Project Notes; or (i) certificates that evidence direct ownership of the right to payments of principal or interest on obligations described in clause (a) hereof, provided that such obligations shall be held by the Paying Agent or in trust for the benefit of the Paying Agent by a bank, trust company or national banking association having a capital stock and surplus of more than \$200,000,000. The capital stock and surplus of any banking institution shall be determined by reference to its latest published financial statements. If the Project Notes are rated by Moody's Investors Service, Inc. and/or Standard & Poor's Ratings Services, then the obligations described in clauses (a), (b) or (f) of this definition and the debt of any bank, savings and loan association, trust company or national banking association referenced in clause (c) or clause (e) of this definition must have an investment grade rating from such rating agency.

As of the date of adoption of this Project Note Resolution, the following investments are currently permitted investments for county utilities authorities under the laws of the State of New Jersey;

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Interests in an investment company or investment trust (a “Government Money Market Mutual Fund”): (a) which is registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and operated in accordance with 17 C.F.R. 270.2a-7, (b) the portfolio of which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) hereof (a “Qualified Portfolio”), and (c) which is rated by a nationally recognized statistical rating organization;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the Authority or bonds or other obligations of school districts of which the District of the Authority is a part;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of Treasury for investment by local units;

(6) Interests in an investment pool (a “Local Government Investment Pool”): (a) which is managed in accordance with 17 C.F.R. 270.2a-7, (b) which is rated in the highest category by a nationally recognized statistical rating organization, (c) which is limited to a Qualified Portfolio, (d) which is in compliance with the rules adopted by the New Jersey Local Finance Board, (e) which does not permit investments in instruments that are subject to high price volatility with changing market conditions, cannot readily be expected, at the time of interest rate adjustment, to have a market price value that approximates their par value, or utilize an index that does not support a stable net asset value; and (f) which purchases and redeems investments directly from the issuer, government money market mutual fund, or the State of New Jersey Cash Management Fund, or through the use of an entity (a “Qualified Entity”) which is a national or State bank located within the State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to N.J.S.A. 49:3-56 and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities;

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to N.J.S.A. 52:18A-90.4;

(8) Agreements for the repurchase of fully collateralized securities if: (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) hereof, (b) the custody of collateral is transferred to a third party, (c) the maturity of the agreement is not more than 30 days, (d) the underlying securities are purchased through a public depository as defined

in N.J.S.A. 17:9-41, and (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

(9) Deposits in a public depository pursuant to N.J.S.A. 17:9-44.

As of the date of adoption of this resolution, certain additional restrictions apply to investments and deposits of Authority funds under the laws of the State, including the following:

(a) Investments and deposits shall be made pursuant to a cash management plan to be approved annually by the Authority pursuant to N.J.S.A. 40A:5-14;

(b) The registered principal of any security brokerage firm selling securities to the Authority shall be provided with, and shall sign an acknowledgement that the principal has seen and reviewed the Authority's cash management plan;

(c) When an investment in bonds maturing in more than one year is authorized, the maturity of these bonds shall approximate the prospective use of the funds invested;

(d) Any investment instruments in which the security is not physically held by the Authority shall be covered by a third party custodial agreement which shall provide for the designation of such instruments in the name of the Authority and prevent unauthorized use of such investments;

(e) Purchase of investment securities shall be executed by the "delivery versus payment" method to ensure that securities are either received by the Authority or a third party custodian prior to or upon the release of the Authority's funds; and

(f) Any investments not purchased and redeemed directly from the issuer, Government Money Market Mutual Fund, Local Government Investment Pool, or the State of New Jersey Cash Management Fund shall be purchased and redeemed through the use of a Qualified Entity.

"Operating Expenses" means the Authority's expenses for operation, maintenance, repairs and replacements with respect to the System and shall include, without limiting the generality of the foregoing, wages, salaries, administrative expenses, insurance and surety bond premiums, legal, accounting, and engineering expenses, ordinary and current rentals of equipment or other property, refunds of moneys lawfully due to others, payments to others for disposal of sewage or other wastes, payments to pension, retirement, health and hospitalization funds, and any other expenses required to be paid for or with respect to proper operation or maintenance of the System, all to the extent properly attributable to the System, but shall not include any costs for major improvements, repairs, or replacements or any allowance for depreciation, interest, amortization, or other similar charges;

"Paying Agent" means any paying agent for Project Notes appointed by or pursuant to Section 701, and its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to this Project Note Resolution; provided,

however, if the Holder of the Project Notes is the Bank, this Paying Agent shall be the Authority and the qualifications of the Paying Agent set forth herein shall not be applicable;

“Pledged Property” means the amounts held in accordance with Section 5.01 hereof;

“Project Account” means the account so designated which is established and created by Section 504 hereof;

“Project Notes” means any of the Project Notes of the Authority authenticated and delivered under and pursuant to this Project Note Resolution and issued in anticipation of the issuance of Bonds, including the Initial Project Notes and any Additional Project Notes;

“Project Note Resolution” means this Project Note Resolution as the same may from time to time be amended, modified or supplemented;

“Record Date” with respect to the Project Notes, means (i) the fifteenth 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, (ii) the first day (whether or not a business day) of the calendar month preceding each interest payment date, in the event that the interest payment date is the fifteenth day of a month or (iii) the fifteenth day (whether or not a business day) next preceding each interest payment date, in the event that the interest payment date is other than the first or the fifteenth day of a month;

“Registered Owner” means the registered owner of any of the Project Notes as reflected on the registration books of the Authority which are kept and maintained by the Registrar on behalf of the Authority;

“Registered Project Notes” means any Project Note issued by the Authority registered to the Registered Owner thereof as to both principal and interest;

“Registrar” means the registrar or bond registrar for the Project Notes appointed by the Authority pursuant to Section 701, and its successor or successors and any other corporation or association which may at any time be substituted in its place pursuant to this Project Note Resolution; provided, however, if the Holder of the Project Notes is the Bank, the Registrar shall be the Authority and the qualifications of the Registrar and the authentication requirements set forth herein shall not be applicable. The Registrar shall be responsible for the registration, and transfer of any series of registered notes issued pursuant to this Project Note Resolution;

“Revenues” means all Service Charges and other income of the Authority from the operation of the System;

“Securities Depository” means the depository for any Book-Entry Notes which are issued hereunder and appointed by the Authority pursuant to Section 701(c) hereof, and its successor or successors, and any other bank or corporation which may be substituted in its place pursuant to the terms of this Project Note Resolution;

“Service Charges” means the rates to be charged for the discharge and disposal of sewage through the System;

“Supplemental Project Note Resolution” means any resolution of the Authority amending or supplementing this Project Note Resolution.

“System” means all facilities acquired or constructed by the Authority for carrying out and effectuating its purposes;

“Trust Indentures” means, collectively, the trust indentures of the Authority entitled “Trust Indenture between Northwest Bergen County Utilities Authority and Fidelity Union Bank/First National State” (the “Senior Trust Indenture”) and “Trust Indenture between Northwest Bergen County Utilities Authority and The Bank of New York Mellon” (the “Subordinated Trust Indenture”), which trust indentures are dated as of June 1, 1984 and November 1, 2010, respectively, each as amended and supplemented;

Section 103 Articles and Sections. Articles and Sections mentioned by number only herein are the respective Articles and Sections of this Project Note Resolution so numbered.

Section 104 Certain Terms Used. As used in this Project Note Resolution, the terms “herein”, “hereunder”, “hereby”, “hereto”, “hereof”, and any similar terms refer to this Project Note Resolution; the term “heretofore”, means before the time of adoption of this Project Note Resolution; and the term “hereafter” means after the time of adoption of this Project Note Resolution.

Section 105 Certain Other Words. As used in this Project Note Resolution, words importing persons include firms, associations and corporations, and words importing the singular number include the plural number and vice versa.

Section 106 Successors and Assigns. Whenever in this Project Note 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, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Authority contained in this Project Note Resolution shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law, or who or which is empowered to exercise or perform, any right, power or duty of the Authority, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with or perform any of the covenants, stipulations, obligations, agreements or other provisions of this Project Note Resolution or comply with or fulfill any conditions set forth in this Project Note Resolution.

Section 107 Severability of Invalid Provisions. If any one or more of the provisions, covenants or agreements in this Project Note Resolution on the part of the Authority, the Paying Agent or Registrar 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 this Project Note Resolution or of the Project Notes.

Section 108 Applicable Law. This Project Note Resolution is adopted pursuant to the statutes of the State of New Jersey, and the law of said State shall be applicable to its interpretation and construction.

## ARTICLE II

### **Statutory Determination, Obligation of the Authority and Limitation on Amount of Financing**

Section 201 Authority for Project Note Resolution. This Project Note Resolution is adopted by virtue of the Act and pursuant to its provisions. The Authority has ascertained and hereby determines that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary in order to promote, carry out and effectuate the purposes of the Authority in accordance with the Act and to carry out powers expressly given in the Act and to secure or further secure the payment of the principal of, redemption premium, if any, and interest on the Project Notes.

Section 202 Authorization for the Initial Project. The Authority has heretofore and does hereby determine to acquire the Initial Project.

Section 203 Estimated Cost of the Initial Project. (a) The aggregate estimated Costs of the Initial Project are \$21,900,000. It is hereby determined that such Costs so estimated include discounts that may be incurred upon the sale of the Initial Project Notes and reimbursement and repayment of sums heretofore or hereafter provided for by loan or advances from the United States of America, from the State of New Jersey, from the proceeds of any other obligations of the Authority or from other sources and expended or to be expended for other Costs of the Initial Project.

(b) The Authority reasonably expects to reimburse its expenditure of all or any portion of the Costs of the Initial Project paid prior to the issuance of the Initial Project Notes and the Bonds with proceeds of its Initial Project Note and/or its Bonds.

(c) This resolution is intended to be and is a declaration of the Authority's official intent to reimburse the Authority for expenditure of Costs of the Initial Project by the Authority paid prior to the issuance of the Initial Project Notes and the Bonds with the proceeds of the Initial Project Notes and/or its Bonds, in accordance with Treasury Regulation Section 1.150-2.

(d) The maximum principal amount of Initial Project Notes and/or Bonds expected to be issued to finance the Initial Project is \$21,900,000.

(e) The Costs of the Initial Project to be reimbursed with the proceeds of the Initial Project Notes and/or the Bonds will be "capital expenditures" in accordance with the meaning of Section 150 of the Code.

(f) No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations Section 1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Code. The proceeds of the Bonds used to reimburse the Authority for Costs, or funds corresponding to such amounts, will not be used in a manner that results in the creation of "replacement proceeds", including "sinking funds", "pledged funds" or funds subject to a "negative pledge" (as such terms are defined in



Treasury Regulations Section 1.148-1), of the Initial Project Notes or another issue of debt obligations of the Authority, other than amounts deposited into a “bona fide debt service fund” (as defined in Treasury regulations Section 1.148-1).

(g) all reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than the Initial Project Notes or the Bonds is paid, or (ii) the date the Initial Project is “placed in service” (within the meaning of Treasury Regulations Section 1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

Section 204 Project Note Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Project Notes by those who shall hold the same from time to time, the provisions of this Project Note Resolution shall be a part of the contract of the Authority with the holders from time to time of the Project Notes. Any pledge made in this Project Note Resolution and provisions, 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 Project Notes. All of the Project Notes, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the Project Notes over any other thereof except as expressly provided in or pursuant to this Project Note Resolution.

Section 205 Obligation of Project Notes. The Project Notes shall be special obligations of the Authority payable solely from the Pledged Property. However, the power and the obligation of the Authority to cause application of Revenues or other funds to the payment of the principal of or interest on the Project Notes is subject to the pledge of such Revenues to any bonds issued and outstanding or to be issued and outstanding under the Trust Indentures, and to the payment of Operating Expenses, and are further subject to the rights of holders of any Project Notes.

## ARTICLE III

### Authorization, Terms, Execution and Issuance of the Project Notes.

Section 301 Authorization of Initial Project Notes. (i) In accordance with the Act and subject to and pursuant to the provisions of this Project Note Resolution and for the purpose of raising funds to pay a portion of the Costs of the Initial Project in anticipation of the issuance of Bonds, Initial Project Notes, which may be issued in one or more series and issued at different times, and renewals thereof are hereby authorized to be issued in an amount not to exceed \$21,900,000. Such Initial Project Notes, including renewals thereof, shall be issued pursuant to this Project Note Resolution and (a) resolutions of the Authority adopted from time to time to supplement and implement this Project Note Resolution as hereinafter provided or (b) a Certificate of Authority Officer, as the case may be. Project Notes for which payment is provided in accordance with Section 702 hereof shall not thereafter be deemed to be outstanding under the terms of this Project Note Resolution.

(ii) The Authority hereby determines that certain terms of the Initial Project Notes shall be as follows:

- (a) the aggregate principal amount of the Initial Project Notes to be issued shall be an amount up to \$21,900,000.
- (b) the maturity of the Initial Project Notes shall be June 30, 2021, or such earlier or later date (subject to the then-applicable limits of the Bank Act) to be determined by the Bank in its sole discretion, however in no event shall such date be later than June 30, 2028;
- (c) the interest rate of the Initial Project Notes shall be as set forth in the Initial Project Notes, but in no event shall such interest rate exceed 5.00% per annum;
- (d) the purchase price for the Initial Project Notes shall be par;
- (e) the Initial Project Notes shall be subject to prepayment prior to their stated maturity in accordance with the terms and conditions of the Initial Project Note;
- (f) the Initial Project Notes shall be issued in a single denomination for each series and shall be numbered "CFP-18 -\_\_";
- (g) the Initial Project Notes 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 Initial Project Notes shall be executed and attested in accordance with Section 303 hereof.
- (i) additional terms of each series of the Initial Project Notes shall be set forth in a Certificate of Authority Officer.

Section 302 General Terms of Project Notes. The Project Notes shall be designated "Construction Financing Loan Program Note", together with additional designations to identify its series, shall be payable to bearer or to the Registered Owner thereof, or the successor thereof, with respect to principal, redemption premium, if any, and interest at the principal office of the Paying Agent in lawful money of the United States of America, shall be issued in either the form

of a Project Note payable to bearer, without coupons attached for the several installments of interest thereon due at or prior to its maturity, or in the form of a fully Registered Project Note without coupons, each such Registered Project Note being payable to a named person or registered assigns, or in the form of a Book-Entry Note, and shall be in substantially the form provided in Section 317 hereof, with such omissions, insertions and variations as are properly required and as are specified in a Supplemental Project Note Resolution of the Authority adopted prior to their authentication and delivery. The principal of, redemption premium, if any, and interest on each Project Note which is payable to bearer shall be paid upon presentation and surrender of such Project Note at the principal office of the Paying Agent, interest on Project Notes (other than Book-Entry Notes) which are in registered form shall be paid by check and mailed to the Registered Owner of such registered Note as of the Record Date at the address listed on the registration books of the Authority which are kept and maintained by the Registrar, the principal of such Registered Project Note (other than Book-Entry Notes) shall be payable upon presentation and surrender thereof by the Registered Owner or his duly authorized attorney at the principal office of the Paying Agent. The provisions relating to the payment of the principal of and interest on any Book-Entry Notes shall be determined by a Certificate of Authority Officer duly executed prior to the authentication and delivery of such Book-Entry Notes upon original issuance. Each of the Project Notes shall be dated as of such date, shall mature on such date, shall bear interest payable at such times and at such rate or varying rates of interest per annum not exceeding any limitation thereon prescribed by law, and shall be of such denomination or denominations and may contain such other terms which are not inconsistent with this Project Note Resolution, as may be fixed or determined by a Certificate of Authority Officer duly executed prior to the date of authentication and delivery thereof upon original issuance. The Project Notes of each series shall be numbered consecutively from one upwards. To the extent of any conflict between the provisions hereof and the provisions of Section 301 hereof, the provisions of Section 301 shall control.

Section 303 Execution of Project Notes. The Project Notes of each series shall be executed in the name and on behalf of the Authority by the manual or facsimile signature of its Chairman, Vice-Chairman or Executive Director and its corporate seal (or a facsimile thereof) shall be affixed, imprinted, engraved or otherwise reproduced thereon, and such seal and Project Note shall be attested by the manual or facsimile signature of its Secretary or Assistant Secretary. In case any officer of the Authority who shall have executed, sealed or attested any of the Project Notes shall cease to be such officer of the Authority before the Project Notes so executed, sealed or attested shall have been authenticated and delivered upon original issuance, such Project Notes may nevertheless be authenticated and delivered as herein provided as if the person who so executed, sealed or attested such Project Notes had not ceased to be such officer.

Section 304 Authentication of Registered Project Notes. The Registered Project Notes shall bear thereon a certificate of authentication, substantially in the form set forth in Section 317 hereof, duly executed by the Registrar. Only such Project Notes as shall bear thereon such certificate of authentication, duly executed, shall be entitled to any right or benefit under this Project Note Resolution. No Registered Project Note shall be valid or obligatory for any purpose unless such certificate of authentication upon such Registered Project Note shall have been duly executed by the Registrar, and such certificate of authentication by the Registrar upon any

Registered Project Note executed on behalf of the Authority shall be conclusive and the only evidence that the Registered Project Note so authenticated has been duly authenticated and delivered under this Project Note Resolution and that the holder thereof is entitled to the benefit of this Project Note Resolution.

Section 305 Interchangeability of Project Notes. Project Notes which are payable to bearer, upon surrender thereof at the principal office of the Registrar, may, at the option of the holder thereof, be exchanged for an equal aggregate principal amount of Registered Project Notes of the same series, designation, maturity and interest rate of any authorized denomination. Registered Project Notes (other than Book-Entry Notes), upon surrender thereof at the principal office of the Registrar together 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, at the option of such Registered Owner, be exchanged for an equal aggregate principal amount of Project Notes which are payable to bearer of the same series, designation, maturity and interest rate of any other authorized denominations, or, of Registered Project Notes of the same series, designation, maturity and interest rate of any other authorized denomination.. Provisions relating to the transfer and registration of Book-Entry Notes shall be determined by a Certificate of Authority Officer duly executed prior to the issuance and delivery of such Book-Entry Notes upon original issuance.

Section 306 Transfer and Registry of Project Notes and Agency Therefor. The Authority shall cause the Registrar to maintain and keep books for the registration and transfer of the Project Notes (other than Book-Entry Notes), and, upon presentation thereof for such purpose at the designated office of the Registrar, together with a written instrument of transfer, satisfactory to the Registrar, duly executed by the Registered Owner thereof or by his attorney duly authorized in writing, the Registrar shall register or cause to be registered therein, and permit to be transferred thereon or to be exchanged, under such reasonable regulation as it or the Registrar may prescribe, any Project Note entitled to registration, transfer or exchange. The Registrar is hereby appointed the agent of the Authority for such registration, transfer or exchange of the Project Notes. Provisions relating to the transfer and registration of Book-Entry Notes shall be determined by a Certificate of Authority Officer duly executed prior to the authentication and delivery of such Book-Entry Notes on original issuance.

Section 307 Negotiability, Transfer and Registration of Project Notes Payable to Bearer. Project Notes which are payable to bearer, unless at the time registered as to principal, redemption premium, if any, and interest other than to bearer in the manner provided in this Section, shall be negotiable instruments and title to any such Project Note, unless at the time so registered, shall pass by delivery. Any Project Note which is payable to bearer may be registered as to principal, redemption premium, if any, and interest on the registration books of the Authority at the designated office of the Registrar, upon presentation thereof at said designated office and such registration shall be noted on such Project Note. After registration in this manner, no transfer of such Project Note shall be valid unless made on said books by the Registered Owner thereof in person or by his attorney duly authorized in writing, and similarly noted on such Project Note, but such Project Note may be discharged from registration by being in like manner transferred to bearer, after which it shall again become transferable by delivery.

Thereafter such Project Note may again, from time to time, be registered or discharged from registration in the same manner.

Section 308 Transfer of Registered Project Notes. Each Registered Project Note (other than Book-Entry Notes) shall be transferable only upon the books of the Authority at the designated office of the Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or such duly authorized attorney. Upon the transfer of such Registered Project Note the Authority shall execute, and the Registrar shall authenticate and deliver, a new Project Note or Project Notes registered in the name of the transferee or, at the option of the transferee, to the extent permitted by law, a Project Note which is payable to bearer, of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Project Note. Provisions relating to the transfer of Book-Entry Notes shall be determined by a Certificate of Authority Officer duly executed prior to the authentication and delivery of such Book-Entry Notes on original issuance.

Section 309 Ownership of Project Notes and Effect of Registration. The Authority and any Fiduciary may treat and consider the bearer of any Project Note as the holder and absolute owner thereof, whether such Project Note shall be overdue or not, for the purpose of receiving payment of the principal thereof and interest thereon and for all other purposes whatsoever. The Authority and any Fiduciary may treat and consider the person in whose name any Project Note which is payable to bearer which for the time being shall be registered as to principal and interest upon the registration books of the Authority as the holder and absolute owner thereof, whether such Project Note shall be overdue or not, for the purpose of receiving payment of the principal thereof, resolution premium, if any, and interest thereon and for all other purposes whatsoever and payment of, or on account of, the principal of, redemption premium, if any, and interest on such Project Note shall be made only to, or upon the order of, such Registered Owner thereof. However, such registration may thereafter be changed or discharged as herein provided. As of the Record Date, the Authority and any Fiduciary may treat and consider the person in whose name any Project Note which is in registered form as the holder and absolute owner thereof, whether such Project Note shall be overdue or not, for the purpose of receiving payment of the principal thereof, redemption premium, if any, interest thereon and for all other purposes whatsoever, and payment of, or on account of, the principal of, redemption premium, if any, or interest on such registered Note shall be made only to, or upon the order of, such Registered Owner thereof, but such registration may be changed or discharged as herein provided. All payments made as in this Section provided shall be valid and effective to satisfy and discharge the liability upon the several Project Notes to the extent of the sum or sums so paid.

Section 310 Reissuance of Mutilated, Destroyed, Stolen or Lost Project Notes. In case any outstanding Project Note shall become mutilated or be destroyed, stolen, or lost, the Authority or in the case of Registered Notes, the Registrar, shall authenticate and deliver a new Project Note of like tenor, number and amount as the Project Note so mutilated, destroyed, stolen or lost, in exchange of and in substitution for such mutilated Project Note or in lieu of and in substitution for the Project Note destroyed, stolen or lost upon filing with the Authority or Registrar of evidence, satisfactory to the Authority and the Authority or the Registrar, that such

Project Note 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 upon complying with such other reasonable regulations, as the Authority and the Registrar may prescribe and upon payment of such expenses as the Authority and Registrar may incur in connection therewith. In lieu of reissuing a mutilated, destroyed, lost or stolen Project Note which is due and payable, the Authority may pay the amount due on such Project Note to the owner or holder thereof, provided that all of the other requirements of this Section have been met.

Section 311 Regulations with Respect to Registrations, Exchanges and Transfers. In all cases in which the privilege of exchanging Project Notes or transferring Registered Project Notes is exercised, the Authority shall execute and the Registrar shall authenticate Project Notes in accordance with the provisions of this Project Note Resolution. For every registration, exchange or transfer of Project Notes, the Authority or the Registrar may charge a sum sufficient to reimburse them for any tax, or other governmental charge required to be paid, which sum, if not otherwise provided for, shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of effecting such registration, exchange or transfer. The Registrar shall, not less often than quarterly, deliver to the Authority a statement of all Project Notes issued in lieu of or in substitution for other Project Notes pursuant to this Article, including a report of the description and disposition of such other Project Notes.

Section 312 No Recourse On Project Notes. No recourse shall be had for the payment of the principal of, redemption premium, if any, or interest on the Project Notes or for any claim based thereon or on this Project Note Resolution against any member or officer of the Authority or any person executing the Project Notes. The Authority is obligated to pay the principal or redemption premium of, or interest thereon, solely from the Pledged Property. The Project Notes are not a debt or liability of the State of New Jersey or any political subdivision thereof (other than the Authority) and shall not create or constitute any indebtedness, liability or obligation of the State of New Jersey or of any political subdivision thereof (other than the Authority). Neither the faith and credit nor the taxing power of the State of New Jersey nor any political subdivision thereof is pledged to the payment of principal or redemption premium of, or interest on, the Project Notes. The Authority has no taxing power.

Section 313 Application of Proceeds of Project Notes. The proceeds of the Project Notes hereafter issued pursuant to this Project Note Resolution from time to time shall be paid to or upon the order of the Authority. The Authority shall deposit the amount (if any) of the accrued interest received with respect to such Project Notes in the Debt Service Account and, if such Project Notes were issued for the purpose of paying at or prior to maturity the principal of, redemption premium, if any, or interest on any Project Notes, an amount sufficient to pay such principal, redemption premium, if any, or interest, shall be similarly deposited. If such Project Notes were issued for the purpose of paying or providing for the payment of any other indebtedness of the Authority incurred with respect to the Initial Project, an amount sufficient for such purpose shall be so applied. Any remainder of the proceeds of such Project Notes shall be deposited by the Authority into the Project Account for application to payment of the Costs of the Initial Project.

Section 314 Authorization of Additional Project Notes. (a) After the execution, authentication and delivery of the Initial Project Notes, Additional Project Notes of the Authority may be authorized to be issued pursuant to and in accordance with the Act either (i) for the purpose of raising funds to pay the Cost of acquisition or construction of part or parts of the Initial Project, including extensions, renewals, replacements, equipment, alterations, improvements or betterments and of all or any property, rights, easements and franchises deemed by the Authority, to be necessary or useful and convenient therefor, (ii) for the purpose of refunding any Initial Project Notes or Additional Project Notes, or (iii) to raise funds to complete any work for which Additional Project Notes were issued for which the Initial Project Notes were issued.

(b) Any Additional Project Notes shall be issued only after authorization thereof by a Supplemental Project Note Resolution of the Authority adopted prior to their authentication and delivery stating the purpose or purposes for which such Additional Project Notes are being issued, directing the application of the proceeds thereof to such purpose or purposes, directing the execution and authentication thereof, and fixing and determining the date, principal amount, denominations, designation and numbers thereof, the rate or rates of interest or maximum rate of interest to be borne thereby, the place or places of payment thereof, the redemption privileges of the Authority, if any, with respect thereto, and other provisions thereof in accordance with the terms of this Project Note Resolution. Upon such authorization, such Additional Project Notes may, upon initial issuance, at one time, or from time to time, be executed by or on behalf of the Authority.

(c) All Additional Project Notes shall be substantially in the form and tenor of Project Notes as provided in this Project Note Resolution, except that, notwithstanding any other provisions, such Project Notes shall be in such principal amounts, shall be of such denominations, shall bear such date, shall bear such designation as to series, numbers or symbols prefixed to their number distinguishing them from each other Project Note, and shall be subject to redemption prior to maturity on such terms and conditions consistent with the provisions of this Project Note Resolution, and may bear interest at such rate or such different or varying rates per annum as may be fixed by the Supplemental Project Note Resolution of the Authority authorizing the issuance of such Additional Project Notes or by such other Supplemental Project Note Resolution of the Authority adopted prior to authentication and delivery of such Additional Project Notes.

(d) After their execution and delivery by the Authority, all Additional Project Notes shall for all purposes hereof be deemed to constitute Notes and shall be entitled to the pledge provided by this Project Note Resolution and shall have equal rank with respect to such pledge with the Initial Project Notes, all Additional Project Notes previously authenticated and delivered shall be entitled to the security and benefit of such pledge and of the provisions of this Project Note Resolution. Notwithstanding anything herein which may be to the contrary, any moneys held under this Project Note Resolution in respect of the defeasance of Project Notes shall be applied solely to the payment of the particular Project Notes defeased.

Section 315 Conditions Precedent to the Issuance of Project Notes. The Project Notes shall be issued only upon delivery to the purchaser thereof of:

(a) The approving opinion of bond counsel to the Authority, as to the validity of the Project Notes; and

(b) Such other documents as the Authority or the purchaser of the Project Notes may reasonably require.

Section 316 Redemption of Project Notes. The Project Notes shall be subject to redemption by the Authority prior to the stated maturity date in accordance with the provisions of Article VI hereof and upon the terms and conditions set forth in a Supplemental Project Note Resolution of the Authority duly adopted prior to the issuance and delivery of the Project Notes upon original issuance, or as shall be determined by a Certificate of Authority Officer, as the case may be.

Section 317 Form of Project Notes. Each Project Note shall be substantially in the following form, with such omission, insertions, endorsements or variations as to recitals of fact, as may be required by the circumstances or as may be necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:



[FORM OF REGISTERED NOTE]

\$ \_\_\_\_\_  
CLP-2018-1

\_\_\_\_\_, 2018

**NORTHWEST BERGEN COUNTY UTILITIES AUTHORITY  
NOTE  
RELATING TO:  
THE CONSTRUCTION FINANCING LOAN PROGRAM  
OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE BANK,  
SERIES 2018**

**THE NORTHWEST BERGEN COUNTY UTILITIES AUTHORITY** (hereinafter called the “Authority”), a utilities authority, acting as a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey, hereby acknowledges itself indebted and for value received promises to pay to the order of the **NEW JERSEY ENVIRONMENTAL 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 “Bank”), the Principal (as hereinafter defined), together with 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 (the “Note”).

This Note is one of a duly authorized issue of notes, each designated as “Construction Financing Loan Program Note,” of the Authority, limited to the aggregate principal amount of \$ \_\_\_\_\_ and authorized and issued under and pursuant to the Authority Enabling Act (as hereinafter defined), and under and in accordance with the Authority Project Note Resolution (as hereinafter defined). Copies of the Authority Project Note Resolution are on file in the office of the Authority in Waldwick, New Jersey. Words and terms which are assigned herein as defined terms shall, unless otherwise defined herein, have the meanings which are assigned to such terms in the Authority Project Note Resolution.

This Note is a special obligation of the Authority issued in anticipation of the issuance of permanent bonds by the Authority; provided however, that the power and the obligation of the Authority to cause application of funds to the payment of the principal of, redemption premium, if any, or the interest on the Note is subject to the terms and conditions set forth in the Authority Project Note Resolution.

Reference to the Authority Project Note Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Authority Enabling Act is made for a description of the nature and the extent of the security for the Note, the funds pledged, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the holder of the Note with respect thereto, the terms and the conditions upon which the Note is issued and may be issued thereunder and a statement of the rights, duties, immunities and obligations of the Authority.

To the extent and in the respects permitted by the Authority Project Note Resolution, the provisions of the Authority Project Note Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by action on behalf of the Authority taken in the manner and subject to the conditions and exceptions prescribed in the Authority Project Note Resolution. The pledge and other obligations of the Authority under the Authority Project Note Resolution may be discharged at or prior to the maturity of the Notes upon the making of provision for the payment thereof on the terms and conditions set forth in the Authority Project Note Resolution.

This Note is transferable, as provided in the Authority Project Note Resolution, only upon the registration books of the Authority kept for that purpose at the administrative offices of the Authority (the “Registrar”), as registrar under the Authority Project Note Resolution, or its successor as Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney, and thereupon the Authority shall issue in the name of the transferee a new registered Note of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered note as provided in the Authority Project Note Resolution and upon payment of the charges therein prescribed. The Authority, the Registrar and any paying agent of the Authority may treat and consider the person in whose name this Note is registered as the holder and absolute owner of this Note for the purpose of receiving payment of the principal of, redemption premium, if any, and interest on this Note and for all other purposes whatsoever.

**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 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 Bank may determine from time to time.

“**Anticipated Financing Program**” means the financing program of the Bank, pursuant to which the Bank will issue its 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 Bank to the Authority from the proceeds of its Bank Bonds, as part of the Anticipated Financing Program.

“**Authority Enabling Act**” means 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. 40:14B-1 *et seq.*), as the same may from time to time be amended and supplemented).

**“Authority Project Note Resolution”** means the resolution of the Authority entitled “RESOLUTION AUTHORIZING THE ISSUANCE OF PROJECT NOTES OF THE NORTHWEST BERGEN COUNTY UTILITIES AUTHORITY IN CONNECTION WITH THE CONSTRUCTION FINANCING LOAN PROGRAM OF THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE BANK”, adopted on April 17, 2018, as amended and supplemented from time to time, pursuant to which this Note has been issued.

**“Authorized Officer”** means any person authorized by the Authority or the Bank, as the case may be, to perform any act or execute any document relating to the Loan or this Note.

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

**“Bank Portion”** means, on any date, an amount equal to the aggregate of (i) twenty-five percent (25%) of the Principal of the Loan on such date, exclusive of that portion of the Principal of the Loan that is allocable to the NJDEP Loan Origination Fee, plus (ii) one hundred percent (100%) of that portion of the Principal of the Loan that is allocable to the NJDEP Loan Origination Fee.

**“Bank Portion Interest Rate”** means, with respect to each disbursement of proceeds of the Bank Portion of the Loan, (a) to the extent that such disbursement is funded from moneys appropriated to the Bank, for the Construction Financing Loan Program of the Bank, pursuant to an appropriations act of the State, the Bank Portion Interest Rate shall equal 0.00%, (b) to the extent that such disbursement is funded from available moneys of the Bank that are neither (i) appropriated to the Bank as provided by the preceding clause (a), nor (ii) borrowed from a financial institution pursuant to a line of credit or other similar financial instrument as provided by the succeeding clause (c), the Bank Portion Interest Rate shall equal the interest rate that is published as either the Thompson Financial TM3 “AAA” Municipal Market Data General Obligation Index (Tax-Exempt) or the “BVAL” Index (relating to general obligation, tax exempt credits) of Bloomberg L.P. (or any subsidiary thereof), (with the particular index that is used by the Bank to be selected by an Authorized Officer of the Bank) or, if such indexes are no longer published on such date, such successor index as may be selected by an Authorized Officer of the Bank, 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 Authority by the Bank to the Maturity Date, rounding up to the nearest year, or (c) to the extent that such disbursement is funded from available moneys of the Bank borrowed from a financial institution pursuant to a line of credit or other similar financial instrument, the Bank Portion Interest Rate shall equal the actual rate of interest established by the applicable financial institution pursuant to a competitive or negotiated solicitation by the Bank with respect to such line of credit or other financial instrument.

**“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 further set forth in Exhibit B hereto, (i) as such Exhibit B shall be supplemented by an Authorized Officer of the Bank by means of either a substitute Exhibit B or an additional Exhibit B, such supplement to be implemented concurrently with the supplement to Exhibit A-1 hereto (as provided in the definition of “Project” as set forth herein), and (ii) as the then-current Exhibit B may be amended by subsequent changes to eligible costs as evidenced by a certificate of an Authorized Officer of the Bank.

**“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 Authority, including the Project, for which the Authority 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, exclusive of that portion of the Principal of the Loan that is allocable to the NJDEP Loan Origination Fee, which NJDEP Loan Origination Fee shall be financed exclusively from the Bank Portion.

**“Interest”** means the interest charged on the outstanding Principal of the Loan at a rate of (a) with respect to the Bank Portion of the Principal, the applicable Bank Portion Interest Rate and (b) with respect to the Fund Portion of the Principal, 0.00%, and payable by the Authority to the Bank (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan pursuant to the terms of this Note, on the date of such optional prepayment or acceleration, as the case may be.

**“Loan”** means the loan of the Principal, made by the Bank to the Authority 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 Authority and approved by the NJDEP, in a form to be determined by the Bank and the NJDEP.

**“Local Authorities 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 June 30, 2021, or (i) such earlier date as shall be determined by an Authorized Officer of the Bank in his or her sole discretion, which date shall be determined by such Authorized Officer of the Bank to be the date of the closing for the Anticipated Financing Program (subject, in all events, to the rights and remedies of the Bank pursuant to, respectively,

the provisions of Section 6 hereof and the provisions of Section 7 hereof in furtherance of the enforcement by the Bank of all covenants obligations of the Authority hereunder, including, without limitation and in particular, the covenant obligation of the Authority set forth in Section 3(a) hereof), or (ii) such later date (subject to the then-applicable limits of the Act) to be determined by an Authorized Officer of the Bank in his or her sole discretion, pursuant to a written certification thereof, as acknowledged and approved by an Authorized Officer of the Authority.

**“NJDEP”** means the New Jersey Department of Environmental Protection.

**“NJDEP Loan Origination Fee”** means the “NJDEP Fee” as referenced and defined in Exhibit B hereto, which NJDEP Fee is an administrative fee that is payable by the Authority to the NJDEP as a portion of the Cost of the Project that has been incurred by the Authority for engineering and environmental services provided to the Authority by the NJDEP.

**“Pledged Property”** means the “Pledged Property” as defined in the Authority Project Note Resolution.

**“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 Authority by the Bank pursuant to one or more Loan Disbursement Requisitions, which principal shall be payable by the Authority to the Bank (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan pursuant to the terms of the Note on the date of such optional prepayment or acceleration, as the case may be.

**“Project”** means the Environmental Infrastructure Facilities of the Authority which constitutes a project for which the Bank is making the Loan to the Authority, as further described in Exhibit A-1 hereto; provided, however, that the description of the Project, as set forth in Exhibit A-1 attached hereto, shall be supplemented by means of either (i) the substitution of a revised and updated Exhibit A-1 for the current Exhibit A-1 or (ii) the inclusion of an additional Exhibit A-1, in either case, promptly following the certification for funding by the NJDEP of the remaining components of the Project, as applicable, such supplement to be undertaken by an Authorized Officer of the Bank.

**“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.

**“State”** means the State of New Jersey.

**SECTION 2. Representations of the Authority.** The Authority represents and warrants to the Bank:

(a) Organization. The Authority: (i) is a county utilities 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 Authority 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 Bank, and to perform its obligations hereunder, and (iii) has duly authorized, approved and consented to all necessary action to be taken by the Authority for: (A) the issuance of this Note, the authentication of this Note, the sale thereof to the 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 Authority in order to carry out and give effect to this Note.

(b) Authority. This Note has been duly authorized by the Authority, duly executed, attested and delivered by Authorized Officers of the Authority, and duly authenticated by the trustee or the paying agent pursuant to the Authority Project Note Resolution. This Note has been duly sold by the Authority to the Bank and duly issued by the Authority and constitutes a legal, valid and binding obligation of the Authority, enforceable against the Authority 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 Authority, threatened against or affecting the Authority that, if adversely determined, would adversely affect (i) the condition (financial or otherwise) of the Authority, (ii) the adoption of the Authority Project Note Resolution, (iii) the ability of the Authority 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 Bank, and (vi) the Authority'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 Authority, (ii) the authentication of this Note by the trustee or paying agent pursuant to the Authority Project Note Resolution, (iii) the adoption of the Authority Project Note Resolution, (iv) the sale of this Note to the Bank, (v) the observation and performance by the Authority 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 Authority that are at parity with this Note as to lien on, and source and security for payment thereon from, the Pledged Property of the Authority's Environmental Infrastructure System, result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Authority 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 Authority is a party or

by which the Authority, 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 Authority 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 Authority, its Environmental Infrastructure System or its properties or operations are subject. The Authority 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 Bank, for the making, observance and performance by the Authority of its duties, covenants, obligations and agreements under this Note, and for the undertaking and completion of the Project.

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

### **SECTION 3. Covenants of the Authority.**

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

(b) Full Faith and Credit Pledge. The Authority irrevocably pledges the Pledged Property in accordance with the terms of, and to the extent provided in, the Authority Project Note Resolution, for the punctual payment of any and all obligations and amounts due under this Note. The Authority acknowledges that, to assure the continued operation and solvency of the Bank, the Bank may, pursuant to and in accordance with Section 12a of the Act, require that if the Authority fails or is unable to pay promptly to the 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 Bank from State-aid otherwise payable to any municipality or county to which the Authority provides services pursuant to a contractual arrangement.

(c) Disposition of Environmental Infrastructure System. The Authority 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 Bank, which consent may or may not be granted by the Bank in its sole discretion.

(d) Financing With Tax Exempt Bonds. The Authority acknowledges, covenants and agrees that it is the intention of the Authority to finance the Project on a long term basis with proceeds of 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

Authority covenants that, except to the extent expressly permitted in writing by the Bank, the Authority 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 141(b)(6) of the Code, (ii) to make or finance loans to persons other than the Authority, or (iii) to acquire any “nongovernmental output property” within the meaning of Section 141(d)(2) of the Code. In addition, the Authority covenants and agrees that no portion of the Project will be investment property, within the meaning of Section 148(b) of the Code. The Authority covenants and agrees that any Costs of the Authority’s Project to be paid or reimbursed with proceeds of the Loan will result in the expenditure of proceeds under Treasury Regulations §1.148 6(d) and Treasury Regulations §1.150-2.

(e) Operation and Maintenance of Environmental Infrastructure System. The Authority 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 Authority 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 Bank upon prior written notice. The Authority shall permit the Bank to inspect the Environmental Infrastructure System.

(g) Insurance. The Authority 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 Authority covenants and agrees that it shall include, or cause to be included, the Bank as an additional “named insured” on any certificate of liability insurance procured by the Authority and by any contractor or subcontractor for the Project.

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

**SECTION 4. Disbursement of the Loan Proceeds; Amounts Payable; Prepayment; and Late Fee.** The Bank shall effectuate the Loan to the Authority by making one or more disbursements to the Authority promptly after receipt by the Bank of a Loan Disbursement Requisition and the approval of such Loan Disbursement Requisition by an Authorized Officer of the Bank or the designee thereof, each such disbursement and the date thereof to be recorded by an Authorized Officer of the Bank on the table attached as Exhibit A-2 hereto; provided, however, that no Loan Disbursement Requisition shall be approved by the Bank for disbursement unless and until the portion of the Project to which such Loan Disbursement Requisition relates has been certified for funding by the NJDEP. It is expected that the proceeds of the Loan will be disbursed to the Authority in accordance with Exhibit C hereto, as Exhibit C shall be supplemented by an Authorized Officer of the Bank by means of either a substitute Exhibit C or



an additional Exhibit C, such supplement to be implemented concurrently with the supplement to Exhibit A-1 hereto (as provided in the definition of "Project" as set forth herein). The latest date upon which the Authority may submit to the Bank a Loan Disbursement Requisition is the business day immediately preceding the date fixed by the Bank for the sale of its bonds in connection with the Anticipated Financing Program, or such alternative date as shall be identified by the Bank for the Authority in writing. On the Maturity Date, the Authority shall repay the Loan to the 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. The Authority may prepay the Loan obligations hereunder, in whole or in part, upon receipt of the prior written consent of an Authorized Officer of the Bank. Each payment made to the Bank shall be applied to the payment of, first, the Interest then due and payable, second, the Principal, third, the Administrative Fee, if 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 Bank later than the Maturity Date, a late fee shall be payable to the 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. Notwithstanding the provisions of this Section 4 to the contrary, the Authority hereby acknowledges and agrees that, on the date of issuance of this Note, a disbursement shall be made and shall be recorded by an Authorized Officer of the Bank on the table attached as Exhibit A-2 hereto in the amount recorded thereon. Such disbursement shall be made for the purpose of funding fifty percent (50%) of the NJDEP Loan Origination Fee. Such disbursement shall be paid by the Bank on behalf of the Authority directly to the NJDEP in satisfaction of the provisions hereof.

Notwithstanding the provisions of this Note to the contrary with respect to the funding, pursuant to this Section 4, of any Loan Disbursement Requisition relating to all or any portion of the Project: (i) the Authority hereby acknowledges and agrees that the Bank shall not, and shall not be required to, commit funds, pursuant to the Construction Financing Loan Program of the Bank, to any portion of the Project until such time as the particular portion of the Project in question has been certified for funding by the NJDEP; (ii) no Loan Disbursement Requisition shall be approved by the Bank for disbursement pursuant to this Section 4 unless and until the portion of the Project to which such Loan Disbursement Requisition relates has been certified for funding by the NJDEP; and (iii) the Bank has no obligation pursuant to this Note to make all or any portion of any disbursement pursuant to the provisions of this Section 4 if the Authority lacks the authority to pay interest on this Note in an amount equal to the Bank Portion Interest Rate

**SECTION 5. Unconditional Obligations.** The obligation of the Authority 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 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 Authority might have against the 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 Authority to pay, when due, any and all of its Loan repayment obligations hereunder, and any other payment obligations due hereunder; (ii) failure by the Authority 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 Authority 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 Authority 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 Authority 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 Authority shall become insolvent or bankrupt or shall make an assignment for the benefit of its creditors, or a custodian of the Authority or any of its property shall be appointed by court order or take possession of the Authority 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 Authority hereby acknowledges and agrees to the rights of the 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 Authority hereunder. If an Event of Default shall have occurred, the Authority hereby acknowledges and agrees that the Bank shall have the right to (i) immediately cease disbursements of the proceeds of the Loan, and/or (ii) declare all Loan repayments and all other amounts due hereunder to be due and payable immediately without further notice or demand. The Authority 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 Authority hereby further acknowledges and agrees that no delay or omission by the 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 Authority hereby further acknowledges and agrees that, pursuant to the “New Jersey Infrastructure Bank Credit Policy”, adopted by the Board of Directors of the Bank, and as further amended and supplemented from time to time (the “Credit Policy”), during such time as an Event of Default has occurred and is continuing hereunder, the Authority shall be ineligible for additional financial

assistance from the Bank, in addition to certain other consequences set forth in the Credit Policy. The Authority hereby agrees that upon demand it shall pay to the 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 Authority upon an Event of Default. Any moneys collected by the Bank pursuant to this Section 7 shall be applied first to pay any attorneys' fees or other fees and expenses owed by the Authority.

**SECTION 8. Certain Miscellaneous Provisions.** The Authority 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 Authority at the following address: Northwest Bergen County Utilities Authority, 30 Wyckoff Avenue at Authority Drive, Wyckoff, New Jersey 07463, Attention: Executive Director; and to the 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 Authority 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 Authority pursuant to the terms of this Note may not be assigned by the Authority for any reason, unless the 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 Bank; (f) this Note shall be governed by and construed in accordance with the laws of the State; (g) the Authority shall, at the request of the Bank, 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 Authority is required to obtain the determination, approval or consent of the Bank pursuant to the terms hereof, such determination, approval or consent may be either granted or withheld by the Bank in its sole and absolute discretion.

This Note is subject to redemption prior to its stated maturity.

THE AUTHORITY ENABLING ACT PROVIDES THAT NEITHER THE MEMBERS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE NOTE SHALL BE LIABLE PERSONALLY ON THE NOTE BY REASON OF THE ISSUANCE THEREOF.

THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PREMIUM OF, OR INTEREST THEREON, SOLELY FROM THE PLEDGED PROPERTY. THE NOTE IS NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY). NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW JERSEY NOR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF PRINCIPAL OR

REDEMPTION PREMIUM OF, OR INTEREST ON, THE NOTE. THE AUTHORITY HAS NO TAXING POWER.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of New Jersey or the Authority Project Note Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Note exist, have happened and have been performed and that the Note, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by the Constitution or statutes.

**IN WITNESS WHEREOF, NORTHWEST BERGEN COUNTY UTILITIES AUTHORITY** has caused this Note to be signed in its name and on its behalf by the manual signature of its Executive Director, its corporate seal to be affixed, imprinted or reproduced hereon and this Note and such seal to be attested by the manual signature of its Secretary, all as of the day of \_\_\_\_\_, 2018.

**NORTHWEST BERGEN COUNTY  
UTILITIES AUTHORITY**

ATTEST:

By: \_\_\_\_\_  
\_\_\_\_\_, Executive Director

\_\_\_\_\_  
\_\_\_\_\_, Secretary

(SEAL)

**EXHIBIT A-1**

**EXHIBIT A-2**

**Loan Disbursements**

<b>Date of Loan Disbursement</b>	<b>Amount of Disbursement: Bank Portion</b>	<b>Amount of Disbursement: Fund Portion</b>

**EXHIBIT B**



**EXHIBIT C**

## ARTICLE IV

### Remedies

Section 401 Remedies The holders of the Project Notes shall be entitled to all of the rights and remedies provided in the Act or otherwise provided or permitted at law or in equity or by statute.

Section 402 Right to Enforce Payment of Project Notes Unimpaired. Nothing in this Article contained shall affect or impair the right of any holder of Project Notes to enforce the payment of the principal of, redemption premium, if any, and the interest on his or her Project Notes or the obligations of the Authority to pay the principal of and the interest on each Project Note issued hereunder to the holder thereof at the time and place stated in the Project Note.

## ARTICLE V

### **Pledge Securing the Project Notes and Special Accounts.**

Section 501 Pledge Securing the Project Notes. As security for the due and punctual payment of the principal of, redemption premium, if any, and interest on the Project Notes and the due and punctual payment and performance of the obligations hereunder, the Authority hereby pledges to the holders of the Project Notes, and grants to the holders a lien on and security interest in (a) all amounts, securities and funds on deposit from time to time in the Debt Service Account and Project Account, including Revenues, subject to the application of such amounts, securities and funds in accordance with the provisions of this Project Note Resolution and (b) all proceeds derived from the issuance and/or sale by the Authority of Additional Project Notes or Bonds for the purpose of refunding the Project Notes, all in accordance with the covenants and agreements of the Authority contained in this Project Note Resolution. In addition, the Project Notes shall constitute a general obligation of the Authority to be paid from any available funds of the Authority subject to any lien or pledge thereon established or to be established for the benefit of any holders of bonds or notes issued or to be issued pursuant to the Authority's Trust Indentures. Such pledge shall be valid and binding from and after the date of the first delivery of any of the Project Notes.

Section 502 Establishment of Accounts. The Authority hereby establishes and creates the following separate accounts:

- (1) Debt Service Account
- (2) Project Account

Each of said accounts shall be held by the Paying Agent.

Section 503 Debt Service Account. There shall be deposited into the Debt Service Account all accrued interest on the Project Notes and all moneys deposited by the Authority into the Debt Service Account from the sale of the Project Notes, that may be required or be made available for the payment of the principal of, redemption premium, if any, or interest on the Project Notes outstanding from time to time. The moneys which are on deposit at any time in the Debt Service Account shall be held and applied solely to the payment and discharge of the principal of and interest on the Project Notes when due and payable. Pending application of the moneys in this account to such purpose, any moneys therein shall be invested by the Authority in accordance with Section 505, provided that such investments shall mature in such amounts and at such times as will permit funds to be available for payment of principal of, redemption premium, if any, and interest on Project Notes.

Section 504 Project Account. Any proceeds which are derived from the sale of any Project Notes which are not deposited in the Debt Service Account, shall be deposited in the Project Account. Moneys in the Project Account shall be invested by the Authority in accordance with Section 505, provided that such investments shall mature in such amounts and at such times as will permit funds to be available when needed to pay the Cost of the Initial Project

(which may include operating and other expenses of the Authority). Amounts in the Project Account shall be paid out only pursuant to requisitions signed by an Authority Officer to which shall be attached a voucher signed by an Authority Officer certifying that such disbursement is necessary to pay part of Cost and stating, by general classification, the purpose for which such disbursement is to be made. All moneys in the Project Account are hereby pledged pending their application as hereinabove in this Section provided, to secure the payment of the principal of, redemption premium, if any, and interest on the Project Notes.

To the extent that the Authority has received an Interim Loan pursuant to the Bank's Construction Financing Program, the disbursement procedures set forth in Section 4 of the Initial Project Note shall govern.

Section 505 Investments. The Authority shall invest moneys held pursuant to this Article V in such Investment Obligations, or class or classes of Investment Obligations within the limitations of this Article V in such manner that the moneys shall be available for application as required by this Project Note Resolution.

## ARTICLE VI

### Redemption of Project Notes

Section 601 Privilege of Redemption and Redemption Prices. The Project Notes of any series which are subject to redemption prior to maturity at the option of the Authority shall be subject to redemption by or on behalf of the Authority upon notice as provided in this Article, to the 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 a Supplemental Project Note Resolution of the Authority duly adopted prior to the authentication and delivery of the Project Notes, or as shall be determined by a Certificate of Authority Officer, as the case may be, and as shall be provided in said Project Notes. In all such cases, the Project Notes shall be redeemed at the Redemption Prices set forth in said Project Notes and which are applicable upon such redemption. If less than all of the Project Notes of such series of like maturity which are then outstanding are to be redeemed, the particular Project Notes to be redeemed shall be selected by lot in the manner set forth below.

Section 602 Selection of Project Notes to be Redeemed by Lot. In the event of the redemption by lot of Project Notes of like series and maturity, the Paying Agent shall assign to each Project Note of such series and maturity which is then outstanding a distinctive number for each \$5,000 of the principal amount of such Project Notes and shall select by lot, using such method of selection as it shall deem proper in its discretion and from the numbers of all such Project Notes to be redeemed, as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Project Notes to be redeemed. The Project Notes to be redeemed shall be those Project Notes whose numbers were so selected; provided, however, that only so much of the principal amount of each such Project Note (of a denomination of more than \$5,000) shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. For the purposes of this Section, Project Notes which have theretofore been selected by lot for redemption shall not thereafter be deemed to be outstanding.

Section 603 Notice of Redemption. When the Paying Agent shall be required or shall be authorized, or shall receive notice from the Authority of its election to redeem Project Notes, the Paying Agent shall, in accordance with the terms and provisions of the Project Notes and the provisions of the Resolution, select the Project Notes to be redeemed and the Paying Agent shall give notice, in the name of the Authority, of the redemption of such Project Notes. Such notice shall specify the series and maturities of the Project Notes to be redeemed, the redemption date and the place or places where amounts which are due and payable upon such redemption will be payable and, if less than all of the Project Notes or any like series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Project Notes to be redeemed, and, in the case of a Project Note to be redeemed in part only, such notice shall also specify the portion of the principal amount thereof to be redeemed. Such notice shall further state that on such date the Redemption Price thereof shall become due and payable with respect to each Project Note to be redeemed, or the Redemption Price of the specified portion of the principal amount thereof (in the case of a Project Note to be redeemed in part only) and such notice shall also state that from and after such date interest on such Project Note, or portion thereof, shall cease to accrue and be payable. The Paying Agent shall also mail a copy of such

notice, postage prepaid, not less than thirty (30) days or more than sixty (60) days prior to such redemption date, to the Registered Owner, if any, of any Project Note all or a portion of which is to be redeemed, at his last address, if any, appearing upon the registration books of the Authority which are kept and maintained by the Registrar, but such mailing shall not be a condition precedent to such redemption and failure to mail any such notice shall not affect the validity of any proceedings for the redemption of the Project Notes.

Section 604 Authority's Election to Redeem. The Authority shall give written notice to the Paying Agent of its election to redeem Project Notes and of the redemption date, which notice shall be given at least sixty-five (65) days prior to the date fixed for redemption or at such later date as shall be acceptable to the Paying Agent. 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 date fixed for redemption, pay to the Paying Agent an amount in cash which, in addition to other moneys available therefor which are held by the Paying Agent, will be sufficient to redeem, at the Redemption Price thereof, all of the Project Notes which have been selected for redemption.

Section 605 Payment of Redeemed Project Notes. If notice has been given by publication (in the manner provided in Section 603 hereof), the Project Notes, or portions thereof, which have been called for redemption and which have been specified in said notice shall become due and payable on the redemption date specified in said notice at the Redemption Prices thereof which are applicable on such date, and, upon presentation and surrender thereof at the place or places specified in said notice together with, in the case of Project Notes which are registered otherwise than to bearer, a written instrument of transfer duly executed by the Registered Owner thereof or by his attorney duly authorized in writing, said Project Notes or portions thereof shall be paid at the said Redemption Prices. If less than all of a Project Note has been selected for redemption, the Authority shall execute and the Registrar shall authenticate a new Project Note in an amount which is equal to the unredeemed balance of the principal amount of the Project Note so surrendered, upon the presentation and surrender of such Project Note, to be delivered without charge to the owner thereof. At the option of the owner thereof, the Authority shall cause the Registrar to issue and deliver either Project Notes which are payable to bearer or Registered Project Notes of like series, designation, interest rates and maturities in any of the authorized denominations. If, on such redemption date, moneys for the redemption of all of the Project Notes (or portions thereof) of any like series and maturity to be redeemed, shall be held by or on behalf of the Paying Agent so as to be available therefor on such date and if a notice of redemption thereof shall have been published as aforesaid, then from and after such redemption date, interest on the Project Notes (or portions thereof) of such series and maturity which have been called for redemption shall cease to accrue and become payable and said Project Notes shall no longer be considered to be outstanding hereunder. All moneys which are held by or on behalf of the Paying Agent for the redemption of particular Project Notes shall be held in trust for the account of the holders of the Project Notes to be redeemed. If moneys for the payment of the Redemption Price and the accrued interest to the redemption date are not so held by the Paying Agent, such Project Notes or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 606. Initial Project Notes. Notwithstanding anything to the contrary in this Project Note Resolution, the Initial Project Notes shall be subject to prepayment in accordance with the terms and conditions of the Initial Project Note.

## ARTICLE VII

### The Fiduciaries

Section 701 Paying Agents, Registrar and Securities Depository. (a) The Authority shall appoint one or more Paying Agents for the Project Notes (other than Book-Entry Notes). Such Paying Agents shall be appointed pursuant to a Certificate of Authority Officer executed prior to the authentication and delivery of the Project Note, and may at any time or from time to time by a Supplemental Project Note Resolution appoint one or more other Paying Agent, for such Project Notes. Each Paying Agent shall be a bank, trust company or national banking association, doing business and having an office in the State of New Jersey or New York and having trust powers 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 of the duties which are imposed upon it by this Project Note Resolution. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Project Note Resolution by executing and delivering to the Authority a written acceptance thereof. The Registrar may be appointed and may act as a Paying Agent for the Project Notes.

(b) The Authority shall, by a Certificate of Authority Officer executed prior to the authentication and delivery of any Project Notes which are issued in registered form, appoint a Registrar for such Project Notes. Such Registrar shall be a bank, trust company, or national banking association doing business and having an office in the State of New Jersey or in the Borough of Manhattan, City and State of New York, if there be such a bank, trust company, 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 this Project Note Resolution. The Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Project Note Resolution by executing and delivering to the Authority a written acceptance thereof. The Paying Agent may be appointed and may act as a Registrar for the Project Notes.

(c) In connection with the issuance of Book-Entry Notes, the Authority shall appoint a Securities Depository. Such Securities Depository shall be appointed pursuant to a Certificate of Authority Officer executed prior to the authentication and delivery of such Book-Entry Notes. Such Securities Depository shall be a bank or corporation having an office in the City of New York which is willing and able to accept the appointment upon reasonable and customary terms and which is authorized by law to perform all of the duties which are imposed upon it by this Project Note Resolution.

Section 702 Responsibilities of Fiduciaries. The recitals of fact which are contained herein and in the Project Notes 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 this Project Note Resolution or of any Project Note issued thereunder or in respect to the security afforded by this Project Note 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 of the Project



Notes. No Fiduciary shall be under any responsibility or duty with respect to the issuance of the Project Notes for value or the application of the proceeds thereof or the application of any moneys paid to the Authority or others in accordance with this Project Note Resolution. 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 to this Project Note Resolution or Project Notes, 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 negligence or default.

Section 703 Funds Held in Trust. All moneys held by any Fiduciary, as such, at any time pursuant to the terms of this Project Note 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 this Project Note Resolution.

Section 704 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 of counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever any Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action 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 Authority Officer stating the same, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Project Note 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 seem 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 705 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 reasonable expenses, charges, legal and engineering fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties hereunder, and each Fiduciary shall have a lien therefor on any and all funds at any time held by it 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 negligence or default.

Section 706 Certain Permitted Acts. Any Fiduciary may become the owner of or may deal in Project Notes 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 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 holders of Project Notes or to effect or aid in any reorganization growing out of the enforcement of the Project Notes or this Project Note Resolution, whether or not any such committee shall represent the holders of a majority in principal amount of the Project Notes outstanding.

Section 707 Resignation of Fiduciary. A Fiduciary, or any successor thereof, may at any time resign and be discharged of its duties and obligations created by this Project Note Resolution by giving not less than sixty days' written notice to the Authority and mailing notice thereof within twenty days after the giving of such written notice to the holders of the Project Notes. Such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Authority or holders of Project Notes as herein provided, in which event such resignation shall take effect immediately on the appointment of such successor.

Section 708 Removal. A Fiduciary, or any successor thereof, may be removed at any time by the holders of a majority in principal amount of the Project Notes then outstanding, excluding any Project Notes held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed and duly acknowledged by such holders 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. The Authority may remove a Paying Agent or Registrar of the Project Notes at any time for cause as shall be determined by the Authority in its sole discretion by filing with the Paying Agent or Registrar an instrument signed by an officer of the Authority 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 this Project Note Resolution.

Section 709 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, liquidate or conservator of such Fiduciary or if 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 Project Notes then outstanding, excluding any Project Notes held by or for the account of the Authority, by an instrument or concurrent instruments in writing signed by such holders 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 holders of Project Notes as herein authorized. The Authority shall mail notice of any such appointment to the holders of the Project Notes, within twenty days after such appointment. Any successor Fiduciary appointed by the Authority shall, immediately and without further act, be superseded by a Fiduciary appointed by holders of Project Notes. 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 days after the Fiduciary shall have given to the Authority written notice as provided in Section 607 or after the occurrence of any other event requiring or authorizing such appointment, the Fiduciary or any other Fiduciary or any holder of Project Notes 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, doing business and having an office in the State of New Jersey or New York having the qualifications prescribed by this Article, 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 this Project Note Resolution.

Section 710 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, 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 this Project Note 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 deed, conveyances and instruments in writing shall, upon request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Fiduciary shall promptly notify the other Fiduciaries of its appointment as such Fiduciary.

Section 711 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 610 and shall be authorized by law to perform all the duties imposed upon it by this Project Note Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section 712 Adoption of Authentication. In case any of the Project Notes contemplated to be issued under this Project Note Resolution shall have been authenticated but not delivered, any successor Registrar may adopt the certificate of authentication of any predecessor Registrar so authenticating such Project Notes and deliver such Project Notes so authenticated, and in case any of the said Project Notes shall have not been authenticated, any successor Registrar may authenticate such Project Notes in the name of the predecessor Registrar or in the name of the successor Registrar, and in all such cases such certificate shall have the full

force which it has anywhere in said Project Notes or which in this Project Note Resolution it is provided that the certificate of the Registrar shall have.

## ARTICLE VIII

### Miscellaneous

Section 801 Covenants by the Authority. In order to secure the payment of the Project Notes, the Authority hereby particularly covenants and agrees with the holders of the Project Notes, and makes provisions which shall be a part of the contract with such holders, that the Authority will, upon receipt of any proceeds of the Project Notes, cause the same to be paid, deposited and applied as provided in Section 313 and Article V, and that the Authority, if and so long as any of the Project Notes are outstanding and unpaid hereunder:

(a) Will proceed with and complete with all practicable dispatch in a sound and economical manner the construction and acquisition of the Initial Project;

(b) Will pay punctually the principal of, redemption premium, if any, and interest on the Project Notes as herein and therein provided, and will, if necessary, issue Additional Project Notes or other obligations to provide funds for this purpose;

(c) Will not make or cause or permit to be made any application of the proceeds of the Project Notes or of any moneys held in the Project Account except in accordance with the provisions of Section 313 or Article V;

(d) Will do and perform all acts and things required on its part to be done or performed under the provisions of this Project Note Resolution; and

(e) Except as provided in Section 803 and 804, will not amend or repeal this Project Note Resolution except with the consent in writing of the holders of not less than 66-2/3% of the aggregate amount of Project Notes then outstanding, except to add additional covenants to further secure payment of the Project Notes, which amendments may be made without consent of noteholders; provided that the amount, maturity, interest rate or security, shall not be modified as to any Project Note without the consent of the holders of said Project Notes.

Section 802 Defeasance. If at any time the Authority shall deposit with a Paying Agent either (a) the amount of money equal to the principal of, redemption premium, if any, and interest to become due on all Project Notes then outstanding for payment to the holders of such Project Notes as such principal, redemption premium, if any, and interest shall become due or (b) direct and general obligations of the United States of America, the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with a Paying Agent at the same time, will be sufficient to pay when due the principal of, redemption premium, if any, and interest due and to become due on all Project Notes outstanding on and prior to the maturity date thereof, then the pledge of moneys and securities hereby pledged and all other rights granted hereby shall be discharged and satisfied. In such event, the Paying Agent shall, upon request of the Authority, execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction. No moneys so held by the Paying Agent

shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for, the payment, when due, of the principal of the, redemption premium, if any, and interest on Project Notes for the payment of which they were deposited, excepting only (a) that any money so held by the Paying Agent shall be invested, upon the direction of the Authority authorizing such investment, in such Investment Obligations as may be selected by the Authority and as will make moneys available in such amounts and at such times and may be necessary to provide funds when needed to pay such principal, redemption premium, if any, and interest, and (b) that whenever the amount of moneys so held by the Paying Agent and the face value of the Investment Obligations so held by the Paying Agent shall equal an amount sufficient to pay when due principal of and interest on all such Project Notes, all income from such investments shall be paid over to the Authority as received by the Paying Agent, and from such date, shall be free of any lien thereon created under the terms of this Project Note Resolution.

If at any time the Authority shall deposit with the Paying Agent the moneys or Investment Obligations provided above with respect to any Project Notes which are then Outstanding, said Project Notes shall no longer be deemed to be outstanding for any purpose.

Section 803 Supplemental Project Note Resolutions Effective Upon Filing. For any or more of the following purposes and at any time or from time to time, a resolution of the Authority supplementing this Project Note Resolution may be adopted which resolution, upon the filing in the office of the Authority of a copy thereof certified by the Secretary, shall be fully effective in accordance with its terms:

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

(2) To add to the covenants or agreements to be observed by the Authority which are not contrary to or inconsistent with this Project Note Resolution as theretofore in effect;

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

(4) To surrender any right, power or privilege reserved to or conferred upon the Authority by this Project Note Resolution;

(5) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge, created or to be created, by this Project Note Resolution;

(6) To specify, determine or authorize any and all matters and things relative to the Project Notes or the proceeds thereof which are not contrary to or inconsistent with this Project Note Resolution; and

(7) To make any other change in this Project Note Resolution that in the opinion of Bond Counsel does not materially adversely affect the rights of the holders of any of the Project Notes.

(8) To provide for the issuance of Additional Project Notes pursuant to this Project Note Resolution.

Section 804 Supplemental Project Note Resolutions Effective With The Opinion of Bond Counsel. 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 this Project Note Resolution may be adopted with an approving opinion of Bond Counsel and 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 this Project Note Resolution; and

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

Section 805 Authorized Acts of Officers. The Chairman, the Vice-Chairman, the Executive Director, the Treasurer, and the Secretary of the Authority are and each of them hereby is, authorized and directed to do and perform all things and execute all papers in the name of the Authority and to take all actions necessary so that the Authority may carry out its obligations under the terms of the Project Notes or this Project Note Resolution.

Section 806 Effective Date. This Project Note Resolution shall take effect upon the filing of a copy hereof, certified by an Authorized Officer of the Authority, with the Authority; provided, that all approvals with respect to this Project Note Resolution have been obtained and all estoppel periods have run.

Section 807 Filing. Upon the adoption hereof, the Secretary shall forward certified copies of this Project Note Resolution to John D. Draikiwicz, Esq., Gibbons P.C., bond counsel to the Authority, David Zimmer, Executive Director of the Bank, and Richard T. Nolan, Esq., McCarter & English, LLP, bond counsel to the Bank.

**CERTIFICATION**

The undersigned Secretary of the Northwest Bergen County Utilities Authority, a public body corporate and politic of the State of New Jersey, HEREBY CERTIFY that the foregoing resolution entitled “Resolution Authorizing the Issuance of Project Notes of the Northwest Bergen County Utilities Authority in Connection with The Construction Financing Loan Program of the New Jersey Environmental Infrastructure Bank” is a true copy of an original resolution which was duly adopted by said Authority at a meeting thereof which was duly called and held on April 17, 2018 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 and affixed the seal of said Authority this \_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
, Secretary

(SEAL)