PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 7, 2026

RATING: Moody's: "MIG 1"
(See "CREDIT RATING" herein)

NEW ISSUE - BOOK-ENTRY-ONLY

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the Authority (as defined herein) with certain tax covenants described herein, under existing law, interest on the 2026 Project Notes (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the 2026 Project Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the 2026 Project Notes is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. Based upon existing law, interest on the 2026 Project Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

$4,535,000*
ATLANTIC COUNTY IMPROVEMENT AUTHORITY
(Atlantic County, New Jersey)
TOWNSHIP SECURED LEASE REVENUE PROJECT NOTES, SERIES 2026
(TOWNSHIP OF MULLICA MUNICIPAL COMPLEX PROJECT)

Dated: Date of Delivery | Due: August 23, 2027

The $4,535,000* aggregate principal amount of Township Secured Lease Revenue Project Notes, Series 2026 (Township of Mullica Municipal Complex Project) (the "2026 Project Notes"), dated the date of delivery, are being issued by the Atlantic County Improvement Authority (the "Authority"), a public body corporate and politic of the State of New Jersey (the "State"), in the form of one note certificate for such maturity. The 2026 Project Notes, when issued, will be registered in the name of and held by Cede & Co. ("Cede"), as nominee for The Depository Trust Company ("DTC"), New York, New York, an automated depository for securities and a clearinghouse for security transactions, which will act as securities depository for the 2026 Project Notes. The 2026 Project Notes will bear interest at a rate of ____% (at a re-offering yield of ____%) per annum commencing the date of delivery shown below. Principal of and interest on the 2026 Project Notes will be payable at maturity on August 23, 2027 (the "Maturity Date"), by Manufacturers and Traders Trust Company, Buffalo, New York, as trustee, paying agent and registrar for the 2026 Project Notes (the "Trustee"). Interest on the 2026 Project Notes will be computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) months of thirty (30) days each. The 2026 Project Notes are not subject to optional redemption prior to the Maturity Date.

The 2026 Project Notes are to be issued pursuant to (i) the County Improvement Authorities Law, constituting Chapter 183 of the Laws of New Jersey of 1960, as amended and supplemented (the "Act"), (ii) the "Resolution Authorizing the Issuance of Lease Revenue Bonds, Series 202_ (Township of Mullica Municipal Complex Project), of the Atlantic County Improvement Authority and Determining Other Matters Related Thereto", adopted by the Authority on May 25, 2022 (the "Bond Resolution"); (iii) a supplemental resolution entitled "Supplemental Resolution Authorizing the Issuance of Township Secured Lease Revenue Project Note, Series 2026 (Township of Mullica Municipal Complex Project), of The Atlantic County Improvement Authority in an Amount Not to Exceed $5,000,000 and Determining Other Matters Related Thereto", adopted by the Authority on July 9, 2026 (the "Supplemental Resolution"); and (iv) a Certificate of the Executive Director of the Authority dated the date of this Official Statement (the "2026 Award Certificate" and together with the Bond Resolution and the Supplemental Resolution the "Resolution").

The proceeds of the 2026 Project Notes will be used to (i) currently refund the Authority's $4,465,000 Township Secured Lease Revenue Project Notes, Series 2025 (Township of Mullica Municipal Complex Project) issued on August 26, 2025 and maturing on August 25, 2026 (the "Prior Notes") (originally issued to fund the construction of a new municipal complex, including a municipal building and police station (the "Facility") on real property owned by the Local Unit (as defined herein), located at 4528 White Horse Pike, Elwood, New Jersey (the "Land")); and (ii) pay the costs and expenses incurred by the Authority and the Township of Mullica, Atlantic County, New Jersey (the "Local Unit", "Mullica" or the "Township") in connection with the issuance of the 2026 Project Notes (collectively, the "Project"). The Authority financed the Project on behalf of the Township through the issuance of the Prior Notes and in connection therewith, acquired a leasehold interest in the Land and simultaneously leased back the Facility and the Land to the Township pursuant to a lease purchase agreement between the Authority and the Township (the "Lease Agreement") dated as of August 1, 2024, as authorized by Township Ordinance #4-2022, adopted May 24, 2022, and entitled "An Ordinance of the Township of Mullica, in the County of Atlantic, New Jersey, Approving the Form and Authorizing the Execution and Delivery of a Lease Purchase Agreement with the Atlantic County Improvement Authority Relating to the Issuance of Lease Revenue Bonds (Township of Mullica Project) and Any Notes Issued in Anticipation Thereof by the Atlantic County Improvement Authority".

The 2026 Project Notes shall be special obligations of the Authority and the principal of, redemption premium, if any, and interest on the 2026 Project Notes shall be payable from, (i) the Revenues (as defined in the Resolution) available for such 2026 Project Notes (except such moneys that are required to be rebated to the United States government pursuant to the provisions of the Code in order to insure that interest on any 2026 Project Notes continues to be excludable from gross income under the Code), and (ii) all moneys, securities and funds which are pledged under the terms of the Resolution, as and to the extent provided in Section 502 of the Resolution.

THE LEASE AGREEMENT REFLECTS LEASE PAYMENTS TO, AMONG OTHER THINGS, BE MADE BY THE LOCAL UNIT IN AN AMOUNT SUFFICIENT TO PAY THE DEBT SERVICE FOR THE 2026 PROJECT NOTES. THE OBLIGATION OF THE LOCAL UNIT TO MAKE RENTAL PAYMENTS (AS DEFINED IN THE BOND RESOLUTION) UNDER THE LEASE AGREEMENT IS A DIRECT AND GENERAL OBLIGATION PAYABLE, UNLESS PAID FROM SOME OTHER SOURCE, FROM THE LEVY OF *AD VALOREM* TAXES UPON ALL THE TAXABLE PROPERTY WITHIN THE JURISDICTION OF THE LOCAL UNIT, WITHOUT LIMITATION AS TO RATE OR AMOUNT.

THE 2026 PROJECT NOTES ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY, THE COUNTY OF ATLANTIC, OR OF ANY COUNTY OR POLITICAL SUBDIVISION OF THE STATE (EXCEPT FOR THE TOWNSHIP TO THE EXTENT OF THE LEASE AGREEMENT), OTHER THAN THE AUTHORITY AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OF NEW JERSEY OR OF THE COUNTY OF ATLANTIC, OR OF ANY COUNTY OR POLITICAL SUBDIVISION OF THE STATE (EXCEPT FOR THE TOWNSHIP TO THE EXTENT OF THE LEASE AGREEMENT), OTHER THAN THE AUTHORITY, EITHER LEGAL, MORAL OR OTHERWISE. THE 2026 PROJECT NOTES ARE SPECIAL OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED UNDER THE RESOLUTION AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE RESOLUTION FOR THE PAYMENT OF THE 2026 PROJECT NOTES. THE 2026 PROJECT NOTES DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

This cover page includes certain information for reference only and is not a summary of matters set forth herein. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2026 Project Notes are offered for delivery when, as and if issued by the Authority, subject to the approval of certain legal matters by McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by its General Counsel, Randolph C. Lafferty, Esq., for the Local Unit by its Township Solicitor, Patrick F. Varga, Esq., Forked River, New Jersey, and its Bond Counsel, Fleishman Daniels Law Offices, LLC, Northfield, New Jersey, and for the Underwriter by Archer & Greiner P.C., Red Bank, New Jersey. NW Financial Group, LLC, Bloomfield, New Jersey has acted as Municipal Advisor to the Authority in connection with the issuance of the 2026 Project Notes. It is expected that the 2026 Project Notes will be available for delivery to DTC in Brooklyn, New York on or about August 24, 2026.

RAYMOND JAMES®

Dated:

* Preliminary, subject to change.

ATLANTIC COUNTY IMPROVEMENT AUTHORITY

MEMBERS AND PROFESSIONALS

COMMISSIONERS

Roy M. Foster, Chairperson
Robert J. Tarby, Sr., Vice Chairperson
Wendy Bartlett
Edwin G. Blake
Joseph J. Giralo
Robert P. Gross
Donald A. Guardian
Reverend Milton L. Hendricks
India P. Still, JD, LLM

EXECUTIVE DIRECTOR

Timothy D. Edmunds, P.E.

AUTHORITY GENERAL COUNSEL

Randolph C. Lafferty, Esq.

AUTHORITY BOND COUNSEL

McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

AUTHORITY MUNICIPAL ADVISOR

NW Financial Group, LLC
Bloomfield, New Jersey

INDEPENDENT AUDITOR

Holman Frenia Allison, PC
Lakewood, New Jersey

**TOWNSHIP OF MULLICA, IN THE
COUNTY OF ATLANTIC, NEW JERSEY**

MAYOR

DeAnna DeMarco

COMMITTEE MEMBERS

Charles Muller, Deputy Mayor

Glen Forman
George Moore
Mark Pino

CHIEF FINANCIAL OFFICER

Kyle Roller

ACTING TOWNSHIP CLERK

Monica Newton

TOWNSHIP SOLICITOR
Patrick F. Varga, Esq.
Forked River, New Jersey

AUDITOR
Ford, Scott & Associates, LLC
Ocean City, New Jersey

BOND COUNSEL

Fleishman Daniels Law Offices, LLC
Northfield, New Jersey

No broker, dealer, salesman or other person has been authorized by the Authority, the Township, or by the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the 2026 Project Notes made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2026 Project Notes in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information which is set forth herein has been provided by the Authority and by other sources which are believed to be reliable by the Authority, but such information provided by such other sources is not guaranteed as to accuracy or completeness by the Authority and is not intended to be and is not to be construed as a representation by the Authority. Certain financial, economic and demographic information concerning the Township is contained in Appendices A and B to this Official Statement. Such information has been furnished by the Township. The Authority has not confirmed the accuracy or completeness of information relating to the Local Unit, and the Authority disclaims any responsibility for the accuracy or completeness thereof. The information set forth herein relative to DTC and DTC's book-entry-only system has been supplied to the Authority by DTC for inclusion herein, and the Authority takes no responsibility for the accuracy thereof. Such information has not been independently verified by the Authority and the Authority makes no representation as to the accuracy or completeness of such information.

The 2026 Project Notes have not been registered under the Securities Act of 1933, as amended, and the Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such federal laws. In making an investment decision, investors must rely upon their own examination of the 2026 Project Notes and the security therefor, including an analysis of the risk involved. The 2026 Project Notes have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the 2026 Project Notes in accordance with applicable provisions of securities laws of the various jurisdictions in which the 2026 Project Notes have been registered, qualified or exempted cannot be regarded as a recommendation thereof. Neither such jurisdictions nor any of their agencies have passed upon the merits of the 2026 Project Notes or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT ARE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1965. FORWARD-LOOKING STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE USE OF FORWARD-LOOKING TERMS SUCH AS "PLAN", "EXPECT", "ESTIMATE", "BUDGET", "WILL", "SHOULD", "BELIEVES" OR OTHER SIMILAR WORDS. SUCH FORWARD-LOOKING STATEMENTS INCLUDE, BUT ARE NOT LIMITED TO, CERTAIN STATEMENTS CONTAINED IN THE OFFICIAL STATEMENT AND IN THE APPENDICES THERETO. THE AUTHORITY AND THE TOWNSHIP EACH BELIEVE THAT THE EXPECTATIONS REFLECTED IN SUCH FORWARD-LOOKING STATEMENTS, AND THE ESTIMATES AND ASSUMPTIONS ON WHICH THEY ARE BASED, ARE REASONABLE. HOWEVER, ESTIMATES AND ASSUMPTIONS ARE INHERENTLY UNCERTAIN, AND NO ASSURANCE CAN BE GIVEN THAT THEY WILL PROVE TO BE CORRECT OR THAT EXPECTATIONS BASED UPON THEM WILL BE REALIZED. NONE OF THE AUTHORITY, THE TOWNSHIP OR THE UNDERWRITER, THEREFORE, CAN OR DOES WARRANT THAT THE RESULTS CONTEMPLATED BY SUCH FORWARD-LOOKING STATEMENTS WILL BE ACHIEVED, AND IT IS LIKELY THAT ACTUAL RESULTS WILL DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY SUCH FORWARD-LOOKING STATEMENTS. ACCORDINGLY, UNDUE RELIANCE SHOULD NOT BE PLACED UPON SUCH FORWARD-LOOKING STATEMENTS.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority or the Local Unit since the date hereof or any earlier date as of which any information contained herein is given. This Official Statement is submitted in connection with the sale of the 2026 Project Notes referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

TABLE OF CONTENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

OFFICIAL STATEMENT

Relating to
$4,535,000[*] Township Secured Lease Revenue Project Notes, Series 2026
(Township of Mullica Municipal Complex Project)
of the
ATLANTIC COUNTY IMPROVEMENT AUTHORITY

INTRODUCTION

This Official Statement, which includes the cover page and the Appendices attached hereto, is furnished by the Atlantic County Improvement Authority (the "Authority"), a public body corporate and politic of the State of New Jersey, to provide certain information relating to the $4,535,000[*] principal amount of Township Secured Lease Revenue Project Notes, Series 2026 (Township of Mullica Municipal Complex Project) (the "2026 Project Notes").

The 2026 Project Notes are to be issued pursuant to (i) the County Improvement Authorities Law, constituting Chapter 183 of the Laws of New Jersey of 1960, as amended and supplemented (the "Act"), (ii) the "Resolution Authorizing the Issuance of Lease Revenue Bonds, Series 202_ (Township of Mullica Municipal Complex Project), of the Atlantic County Improvement Authority and Determining Other Matters Related Thereto", adopted by the Authority on May 25, 2022 (the "Bond Resolution"), (iii) a supplemental resolution entitled "Supplemental Resolution Authorizing the Issuance of Township Secured Lease Revenue Project Note, Series 2026 (Township of Mullica Municipal Complex Project), of The Atlantic County Improvement Authority in an Amount Not to Exceed $5,000,000, and Determining Other Matters Related Thereto", adopted by the Authority on July 9, 2026 (the "Supplemental Resolution"), and (iv) a Certificate of the Executive Director of the Authority dated the date of this Official Statement (the "2026 Award Certificate" and together with the Bond Resolution and the Supplemental Resolution, the "Resolution").

In accordance with the Act, on June 21, 2022, the Board of County Commissioners of the County of Atlantic (the "County") adopted Resolution #344 consenting to the construction of the Project (as defined herein), the adoption of the Bond Resolution and the execution of the Lease Agreement (as defined herein). In accordance with the Act, on July 1, 2026, the County Executive approved the adoption of the Supplemental Resolution.

Pursuant to the Prior Notes (as defined herein), the Authority entered into a lease purchase agreement dated as of August 1, 2024 (the "Lease Agreement") with the Township of Mullica, Atlantic County, New Jersey (the "Township" or the "Local Unit") , authorized by Township Ordinance #4-2022, adopted May 24, 2022, and entitled "An Ordinance of the Township of Mullica, in the County of Atlantic, New Jersey, Approving the Form and Authorizing the Execution and Delivery of a Lease Purchase Agreement with the Atlantic County Improvement Authority Relating to the Issuance of Lease Revenue Bonds (Township of Mullica Project) and Any Notes Issued in Anticipation Thereof by the Atlantic County Improvement Authority", for the lease purchase of the Facility (as defined herein) to reflect lease payments to, among other things, be made by the Local Unit in an amount sufficient to pay the debt service for the 2026 Project Notes. See "SECURITY FOR THE 2026 Project Notes".

The 2026 Project Notes constitute special obligations of the Authority secured by a pledge of Revenues (as defined in the Resolution) pledged under the Resolution.

Copies of the Bond Resolution, the Supplemental Resolution and the Lease Agreement are on file in the office of the Authority in Egg Harbor Township, New Jersey and at the principal corporate trust office of Manufacturers and Traders Trust Company, Buffalo, New York (the "Trustee"), and reference is made to such documents for the provisions relating to, among other things, the terms of and the security for the 2026 Project Notes, the custody and application of the proceeds of the 2026 Project Notes, the rights and remedies of the holders of the 2026 Project Notes, and the rights, duties and obligations of the Authority, the Local Unit and the Trustee.

---

[*] Preliminary, subject to change.

This Official Statement contains brief descriptions of the 2026 Project Notes, the Resolution, the Lease Agreement and the Authority. A brief description of the Township and its finances is attached to this Official Statement as Appendices A and B, respectively. The description of the Local Unit has been furnished by the Local Unit, and the Authority disclaims any responsibility for the accuracy or completeness thereof. Capitalized words and terms which are used herein which are not ordinarily capitalized and which are not otherwise defined herein shall have the meanings which are assigned to such words and terms in the Resolution. The summaries of and references to all documents, statutes, reports and other instruments which are referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to such document, statute, report or instrument. All references herein to the Resolution, the Lease Agreement, the Continuing Disclosure Agreement and the other documents contained herein are qualified in their entirety by reference to such documents, and all references herein to the 2026 Project Notes are qualified in their entirety by the definitive form thereof. See also "APPENDIX C –hereto.

PLAN OF FINANCING

The proceeds of the 2026 Project Notes will be used to (i) currently refund the Authority's $4,465,000 Township Secured Lease Revenue Project Notes, Series 2025 (Township of Mullica Project) issued on August 26, 2025 and maturing on August 25, 2026 (the "Prior Notes") (originally issued to fund the construction of a new municipal complex, including a municipal building and police station (the "Facility") on real property owned by the Local Unit (as defined herein), located at 4528 White Horse Pike, Elwood, New Jersey (the "Land")); and (ii) pay the costs and expenses incurred by the Authority and the Township of Mullica, Atlantic County, New Jersey (the "Local Unit", "Mullica" or the "Township") in connection with the issuance of the 2026 Project Notes (collectively, the "Project").

On May 11, 2022, the Local Finance Board, Department of Community Affairs, Division of Local Government Services of the State of New Jersey (the "Local Finance Board") issued positive findings with respect to (i) the adoption by the Authority of the Bond Resolution authorizing the Series 202_ Bonds and (ii) the adoption of the lease ordinance by the Township. Subsequent to that, the Township advanced the Project design. As the design advanced and the scope of the Project evolved, the estimated costs increased to a point that the Township and the Authority determined not to proceed. Since that time, however, the Township and the Authority reconsidered the project scope and designed a new, smaller stand-alone building on a vacant portion of the Land which is estimated to cost less than the initial version of the Project.

Pursuant to the Local Authorities Fiscal Control Law (the "Local Authorities Fiscal Control Law"), constituting Chapter 313 of the Laws of New Jersey of 1983 (N.J.S.A. 40A:5A-1 et seq.), on May 22, 2024, bond counsel for the Authority made a request to the Local Finance Board for renewal of the positive findings issued in 2022, which positive findings were renewed at the Local Finance Board's meeting on June 12, 2024. The Authority has advised the Local Finance Board on June 30, 2026 of its intent to issue the 2026 Project Notes in accordance with the Local Authorities Fiscal Control Law and the Local Finance Board did not object within the statutorily prescribed period of time.

ESTIMATED SOURCES AND USES OF FUNDS

Sources of Funds

Principal Amount of Series 2026 Project Notes
Original Issue Premium / [Discount]

Total Sources of Funds

Uses of Funds

Project Costs
Costs of Issuance(1)

Total Uses of Funds

(1) Costs of Issuance include, among other things, Underwriter's discount, legal, accounting, printing, rating agency, municipal advisory, and trustee fees incurred in connection with the issuance of the 2026 Project Notes.

DESCRIPTION OF THE 2026 PROJECT NOTES

General

The 2026 Project Notes will bear interest at the rate and yield as shown on the front cover page of this Official Statement, commencing the date of delivery as shown on the front cover page hereof. Principal of and interest on the 2026 Project Notes will be payable on August 23, 2027 (the "Maturity Date") by the Trustee, as paying agent and registrar for the 2026 Project Notes (the "Paying Agent" and "Registrar"). Interest on the 2026 Project Notes will be computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) months of thirty (30) days each.

The 2026 Project Notes will be issued in the form of one certificate and will be registered in the name of and held by Cede & Co. ("Cede"), as nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the 2026 Project Notes under its book-entry-only system (the "DTC Book-Entry-Only System"). An individual purchaser may purchase a portion of the 2026 Project Notes in book-entry form (without certificates) in denominations of $5,000 or any integral multiple of $1,000 in excess thereof. Provided DTC or its nominee Cede is the registered owner of the 2026 Project Notes, the principal of and interest on the 2026 Project Notes will be paid to DTC or Cede, as its nominee. See "The DTC Book-Entry-Only System" below. In the event the 2026 Project Notes are no longer subject to the DTC Book-Entry-Only System, the principal of the 2026 Project Notes will be payable upon surrender of the 2026 Project Notes at the principal corporate trust office of the Trustee. Interest on the 2026 Project Notes will then be paid by check, bank draft or, under certain circumstances, wire transfer, by the Paying Agent to the registered owner thereof on the date of maturity.

The 2026 Project Notes constitute special obligations of the Authority secured by a pledge of the Revenues (as defined in the Resolution) pledged under the Resolution.

THE OBLIGATION OF THE LOCAL UNIT TO MAKE RENTAL PAYMENTS UNDER THE LEASE AGREEMENT IS A DIRECT AND GENERAL OBLIGATION PAYABLE, UNLESS PAID FROM SOME OTHER SOURCE, FROM THE LEVY OF *AD VALOREM* TAXES UPON ALL THE TAXABLE PROPERTY WITHIN THE JURISDICTION OF THE LOCAL UNIT, WITHOUT LIMITATION AS TO RATE OR AMOUNT.

THE 2026 PROJECT NOTES ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY, THE COUNTY OF ATLANTIC, OR OF ANY COUNTY OR POLITICAL SUBDIVISION OF THE STATE (EXCEPT FOR THE TOWNSHIP TO THE EXTENT OF THE LEASE AGREEMENT), OTHER THAN THE AUTHORITY AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OF NEW JERSEY OR OF THE COUNTY OF ATLANTIC, OR OF ANY COUNTY OR POLITICAL SUBDIVISION OF THE STATE (EXCEPT FOR THE TOWNSHIP TO THE EXTENT OF THE LEASE AGREEMENT), OTHER THAN THE AUTHORITY, EITHER LEGAL, MORAL OR OTHERWISE. THE 2026 PROJECT NOTES ARE SPECIAL OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED UNDER THE RESOLUTION AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE RESOLUTION FOR THE PAYMENT OF THE 2026 PROJECT NOTES. THE 2026 PROJECT NOTES DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER

Redemption of 2026 Project Notes

The 2026 Project Notes are <u>not</u> subject to optional redemption prior to the Maturity Date.

The DTC Book-Entry-Only System

The description that follows of the procedures and record keeping with respect to beneficial ownership interests in the 2026 Project Notes, payment of principal, and interest, and other payments on the 2026 Project Notes to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the 2026 Project Notes and other related transactions by and among DTC, DTC Participants and Beneficial Owners, is based solely on information furnished by DTC to the Authority. Accordingly, no representations can be made concerning these matters and none of the Direct Participants, the Indirect Participants or the Beneficial Owners should rely on the following information with respect to such matters but should instead confirm the same with DTC or the Direct Participants, as the case may be. Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter and the Authority.

DTC will act as securities depository for the 2026 Project Notes. The 2026 Project Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for the year of maturity of the 2026 Project Notes and will be deposited with DTC.

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

Purchases of 2026 Project Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2026 Project Notes on DTC's records. The ownership interest of each actual purchaser of the 2026 Project Notes ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2026 Project Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the 2026 Project Notes, except in the event that use of the book-entry system for the 2026 Project Notes is discontinued.

To facilitate subsequent transfers, all 2026 Project Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2026 Project Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2026 Project Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2026 Project Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2026 Project Notes unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2026 Project Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments with respect to the 2026 Project Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants and not of DTC, the Trustee, the Paying Agent or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority, the Paying Agent or the Trustee. Disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2026 Project Notes at any time by giving reasonable notice to the Authority with a copy to the Trustee. Under such circumstances, in the event that a successor depository is not obtained, a 2026 Project Notes certificate is required to be authenticated and delivered as described in the Bond Resolution.

The Authority may decide to discontinue use of the system of book-entry transfers of the 2026 Project Notes through DTC (or a successor securities depository). In that event, the 2026 Project Note certificate will be authenticated and delivered as described in the Bond Resolution.

THE AUTHORITY, THE TOWNSHIP AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO THE DIRECT PARTICIPANTS OR THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE 2026 PROJECT NOTES (I) PAYMENTS OF PRINCIPAL OR PREMIUM, IF ANY, OF OR INTEREST ON THE 2026 PROJECT NOTES, (II) A CERTIFICATE REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE 2026 PROJECT NOTES OR (III) NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE 2026 PROJECT NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

NONE OF THE AUTHORITY, THE TOWNSHIP AND THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY PERSON CLAIMING A BENEFICIAL OWNERSHIP INTEREST IN THE 2026 PROJECT NOTES UNDER OR THROUGH DTC OR ANY DIRECT PARTICIPANT, OR ANY OTHER PERSON WHO IS NOT SHOWN IN THE REGISTRATION BOOKS OF THE AUTHORITY KEPT BY THE TRUSTEE AS BEING A NOTEHOLDER. THE AUTHORITY, THE TOWNSHIP AND THE TRUSTEE SHALL HAVE NO RESPONSIBILITY WITH RESPECT TO (I) ANY OWNERSHIP INTEREST IN THE 2026 PROJECT NOTES; (II) THE PAYMENT BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR INTEREST ON THE 2026 PROJECT NOTES; (III) THE DELIVERY TO ANY DIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OF ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTEHOLDERS UNDER THE BOND RESOLUTION; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS NOTEHOLDER.

SO LONG AS CEDE & CO. IS REGISTERED OWNER OF THE 2026 PROJECT NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE OWNERS OR REGISTERED OWNERS OF THE 2026 PROJECT NOTES SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL

OWNERS OF THE 2026 PROJECT NOTES. PAYMENT MADE BY THE TRUSTEE TO DTC OR ITS NOMINEE SHALL SATISFY THE AUTHORITY'S OBLIGATIONS WITH RESPECT TO THE 2026 PROJECT NOTES TO THE EXTENT OF SUCH PAYMENTS. IT IS THE DUTY OF EACH BENEFICIAL OWNER TO ARRANGE WITH ITS DTC PARTICIPANT OR INDIRECT PARTICIPANT TO RECEIVE FROM SUCH DTC PARTICIPANT OR INDIRECT PARTICIPANT PAYMENTS OF PRINCIPAL AND INTEREST, CREDIT BALANCES AND ALL OTHER COMMUNICATIONS WHICH THE DTC PARTICIPANT OR INDIRECT PARTICIPANT RECEIVES FROM DTC.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the Authority believes to be reliable, but none of the Authority, the Township, the Trustee or the Underwriter takes responsibility for the accuracy thereof.

For every transfer and exchange of 2026 Project Notes, Owners requesting such transfer or exchange may be charged a sum sufficient to cover any tax, governmental charge or transfer fees that may be imposed in relation thereto, which charge may include transfer fees imposed by the Trustee, DTC or the DTC Participant in connection with such transfers or exchanges.

According to DTC, the foregoing information with respect to DTC has been provided for informational purposes only and is not intended to serve as a representation, warranty, or contract modification of any kind.

SECURITY FOR THE 2026 PROJECT NOTES

General

The 2026 Project Notes shall be special obligations of the Authority and the principal of, redemption premium, if any, and interest on the 2026 Project Notes shall be payable from, (i) the Revenues (as defined below) available for such 2026 Project Notes (except such moneys that are required to be rebated to the United States government pursuant to the provisions of the Code (as defined herein) in order to insure that interest on any 2026 Project Notes continues to be excludable from gross income under the Code), and (ii) all moneys, securities and funds which are pledged under the terms of the Resolution, as and to the extent provided in Section 502 of the Resolution. The Revenues are defined in the Resolution as (a) all amounts, including Basic Rent received from the Local Unit pursuant to the provisions of the Lease Agreement, (b) any investment income which is derived from the investment of any funds which are held by the Trustee and (c) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment the 2026 Project Notes.

THE 2026 PROJECT NOTES ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY, THE COUNTY OF ATLANTIC, OR OF ANY COUNTY OR POLITICAL SUBDIVISION OF THE STATE (EXCEPT FOR THE TOWNSHIP TO THE EXTENT OF THE LEASE AGREEMENT), OTHER THAN THE AUTHORITY AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OF NEW JERSEY OR OF THE COUNTY OF ATLANTIC, OR OF ANY COUNTY OR POLITICAL SUBDIVISION OF THE STATE (EXCEPT FOR THE TOWNSHIP TO THE EXTENT OF THE LEASE AGREEMENT), OTHER THAN THE AUTHORITY, EITHER LEGAL, MORAL OR OTHERWISE. THE 2026 PROJECT NOTES ARE SPECIAL OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED UNDER THE RESOLUTION AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE RESOLUTION FOR THE PAYMENT OF THE 2026 PROJECT NOTES. THE 2026 PROJECT NOTES DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

Pursuant to the assignment made by the Authority in the Resolution of the Authority’s rights under the Lease Agreement to receive the Rental Payments, the Rental Payments shall be paid directly to the Trustee. Upon receipt of any Rental Payments, or other Revenues or other payments under the Resolution, the Trustee shall deposit the same in the appropriate Fund or Funds established under the Resolution. Except as otherwise provided in the Resolution, the Revenues shall be collected, held and applied for the benefit and security of the Holders of the 2026 Project Notes.

The provisions of the 2026 Project Notes and the Resolution are deemed to be and do constitute contracts by and among the Authority, the Trustee and the registered owners, from time to time, of the 2026 Project Notes and the security interest which is granted and the pledge which is made in the Resolution and the covenants and agreements which are set forth in the Resolution to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the registered owners of any and all 2026 Project Notes, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the 2026 Project Notes over any other thereof, except as expressly provided in or pursuant to the terms of the Resolution.

Reference is made to the "Bond Resolution" and "Supplemental Resolution" included as Appendix C hereto for a more complete description of the provisions of the Bond Resolution and Supplemental Resolution.

The Lease Agreement

The Local Unit adopted an *ad valorem* tax pledged lease ordinance, #4-2022, upon final reading on May 22, 2022 securing the general obligation lease payments under the Lease Agreement (the "Lease Ordinance").

The Authority entered into a Lease Agreement with the Local Unit for the lease purchase of the Facility. The Lease requires the Local Unit to make lease payments in an amount sufficient to pay the debt service for the 2026 Project Notes and requires the Local Unit to operate, maintain and manage the Facility upon it completion. At the end of the Lease Agreement term and upon payment of any outstanding Bonds, title to the Project will transfer to the Township.

The Local Unit will pay to the Trustee, as Basic Rent an amount which, together with available moneys on deposit in the Bond Service Fund, if any, will equal the Bond Service Requirement (as defined in the Bond Resolution) on the 2026 Project Notes.

The obligation of the Local Unit to make Rental Payments and to pay all other amounts provided for in the Lease Agreement and to perform its respective obligations under the Lease Agreement is absolute and unconditional and secured by the full faith and credit pledge of the Local Unit. Such Rental Payments and other amounts are payable by the Local Unit without any rights of set-off, recoupment or counterclaim it might have against the Authority, the Trustee, or any other person and whether or not the Facility is used by, or available for use by, the Local Unit. The Local Unit has covenanted in the Lease Agreement to include in its annual budget for each Fiscal Year of the Lease Term the Rentals (as defined in the Lease Agreement) which are due and payable or which will become due and payable during such Fiscal Year under the terms of the Lease Agreement.

The obligation of the Local Unit under the Lease Agreement to make Rental Payments is a direct and general obligation payable, unless paid from some other source, from the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the Local Unit, without limitation as to rate or amount.

All applicable payments under the Lease Agreement shall be applied to the 2026 Project Notes.

Reference is made to the "Lease Agreement" included as Appendix C hereto for a more complete description of the provisions of the Lease Agreement and to Appendix B hereto for certain information concerning the Local Unit.

MARKET PROTECTION

The Township does not presently expect to issue additional debt before the end of the current fiscal year on December 31, 2026.

RISK FACTORS

The purchase of the 2026 Project Notes involves numerous investment risks, some of which are referred to in this Official Statement. No representation is made that the risks described or referred to in this Official Statement constitute all of the risks associated with investing in the 2026 Project Notes. Moreover, the discussion herein of risks to the owners of the 2026 Project Notes is not intended as dispositive, comprehensive or definitive, but rather is intended to summarize certain matters which could affect payment on the 2026 Project Notes. Accordingly, prior to making a decision to invest in the 2026 Project Notes, each prospective purchaser thereof should make an independent evaluation of all of the information presented in this Official Statement, including the Appendices hereto, and should review other pertinent information.

INFECTIOUS DISEASE OUTBREAK- COVID 19

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, then President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy (the "Governor") of the State declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread throughout the State and to all counties within the State. The Governor also instituted mandated measurers via various executive orders to contain the spread of the virus. These measures, which altered the behavior of businesses and people, have had and may continue to have negative impacts on regional, state and local economies. The public health emergency was terminated on June 4, 2021 but the COVID state of emergency remained in effect via Executive Order 244. However, on January 11, 2022, the Governor restated the existing state of emergency and reinstated a public health emergency via Executive Order 280, effective immediately, in order to ensure that the State was able to respond to the threat of COVID-19 and the Omicron variant. The public health emergency declaration, which allowed existing orders to continue in effect, was set to expire thirty (30) days from January 11, 2022 unless renewed. On February 10, 2022, the Governor signed Executive Order 288 extending the public health emergency declared on January 11, 2022, however the public health emergency was terminated on March 7, 2022 via Executive Order 292; the existing state of emergency remains in effect. See https://covid19.nj.gov for further detail regarding the impact of COVID-19 on the State and the Governor's various executive orders.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020, c. 74 ("Chapter 74") on August 31, 2020. Chapter 74, which took effect immediately, authorizes special emergency appropriations for: (1) direct COVID-19 response expenses; and (2) deficits in prior year's operations attributable to COVID-19 (the beginning of the five-year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five-year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five-year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings related to the COVID-19 pandemic. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19. The Township does not anticipate authorizing these special emergency appropriations or issuing special emergency notes in order to address any financial impact caused by the COVID-19 pandemic.

To date, the finances and operations of the Township have not been materially and adversely affected as a result of the COVID-19 pandemic. Nonetheless, reduced or delayed revenue streams, which include the collection of property taxes, which is the Township's primary revenue source for supporting its budget, may be affected by a potential infectious disease outbreak like COVID-19. The Township cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain facilities, or costs to operate remotely and support Township functions and critical government actions during an outbreak, or any resulting impact such costs could have on the Township's operations. The Township's finances and operations have had certain reduced revenue streams due to the COVID-19 pandemic, but the finances and operations of the Township have not been materially and adversely affected due to the COVID-19 outbreak.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 12, 2021, comprises $1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan included various forms of financial relief including up to $1,400 increase in direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan includes $350 billion in relief funds for state and local governments, such as the Township.

The Township received certain funding from the Plan, in two payments, and utilized the funding for the replacement of lost Township revenue and investment in public infrastructure including drainage and road improvements.

While the effects of COVID-19 have abated significantly, the Township cannot predict, and does not predict, whether or if the Coronavirus or any similar viral disease (including any variants or subvariants thereof) may reemerge in the future and, if such reemergence occurs, what the effects thereof may have upon global, State-wide and local economies and operations, including that of the Township.

CYBER SECURITY

The Township has a robust Cyber Security program which is compliant with the MEL CyberJIF Policy and is Tier 2 certified. Efforts include on-going employee training, phishing exercises and periodic penetration testing.

THE LOCAL UNIT

A detailed description of the Local Unit and certain of its demographics, finances and services and the audited and unaudited financial statements of the Local Unit and certain selected financial information have been included herein as Appendices A and B. See APPENDIX A, “CERTAIN INFORMATION RELATING TO THE TOWNSHIP OF MULLICA” and APPENDIX B “AUDITED FINANCIAL STATEMENTS OF THE TOWNSHIP”.

THE AUTHORITY

The Authority is a public body corporate and politic organized and existing under the Act and created pursuant to a resolution of the Board of Chosen Freeholders (now County Commissioners) of the County adopted August 21, 2001. The Authority has, among other powers, the authority to acquire or lease real or personal property or interests therein necessary or useful and convenient for the purposes of the Authority, and to lease to any governmental unit all or any part of a public facility for such consideration and for such period of time and upon such other terms and conditions as the Authority may fix and agree upon.

From time to time the Authority has financed projects from the proceeds of bonds or notes issued on behalf of various entities. The bonds or notes issued to finance such projects are special obligations of the Authority, payable solely out of revenues derived from such entities. Because such other bonds are special obligations of the Authority payable solely out of revenues derived from such entities, defaults in the payments by such other entities do not have any effect on the 2026 Project Notes.

The governing body of the Authority consists of nine (9) commissioners appointed by the Board of Commissioners of the County. The Authority's staff is supervised by the Executive Director. The present commissioners of the Authority, their offices and the expiration dates of their terms as commissioners are as follows:

COMMISSIONERS	EXPIRATION OF CURRENT TERM
Roy M. Foster (Chairperson)	5/1/2029
Edwin G. Blake (Secretary)	5/1/2031

COMMISSIONERS	EXPIRATION OF CURRENT TERM
Wendy Bartlett	5/1/2030
Joseph J. Giralo	5/1/2028
Robert P. Gross	5/1/2029
Donald A. Guardian	5/1/2030
Reverend Milton L. Hendricks (Asst. Secretary)	5/1/2028
India P. Still, JD, LLM	5/2/2031
Robert J. Tarby, Sr. (Vice Chairperson)	5/1/2031

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

The Act sets forth the pledge and agreement of the State of New Jersey that it will not limit or alter the rights vested by the Act in the Authority to fulfill the terms of any agreements made with holders of obligations of the Authority or in any way impair the rights and remedies of such holders, until such obligations, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged or provided for.

LEGALITY FOR INVESTMENT

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

LITIGATION

The Authority

There is no litigation pending or, to the knowledge of the Authority, threatened, seeking to restrain or enjoin the issuance or delivery of the 2026 Project Notes or questioning or affecting the validity of the 2026 Project Notes or the proceedings or authority under which the 2026 Project Notes are to be issued. There is no litigation pending or, to the Authority's knowledge, threatened, which in any manner questions the right of the Authority to adopt the Resolution, to enter into the Lease Agreement or the Continuing Disclosure Agreement, or to secure the 2026 Project Notes in the manner herein described.

The Local Unit

There is no controversy or litigation of any nature now pending or threatened against the Local Unit, restraining or enjoining the performance under the Lease Ordinance, the Continuing Disclosure Agreement (as hereinafter defined) or the Lease Agreement or in any way contesting or affecting the validity of the Lease Ordinance, the Continuing Disclosure Agreement or the Lease Agreement or any proceedings of the Local Unit taken with respect to the adoption, execution or delivery, as applicable, thereof or existence or powers of the Local Unit related to the adoption, execution and delivery, as applicable, of the Lease Ordinance, the Continuing Disclosure Agreement, or the Lease Agreement, or wherein an adverse decision would have a material adverse impact on the financial position of the Local Unit or its ability to pay or to provide for payment under the Lease Ordinance or the Lease Agreement.

TAX MATTERS

Exclusion of Interest on the 2026 Project Notes From Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the 2026 Project Notes in order to assure that interest on the 2026 Project Notes will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Authority to comply with such requirements may cause interest on the 2026 Project Notes to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the 2026 Project Notes. The Authority will make certain representations in its Arbitrage and Tax Certificate, which will be executed on the date of issuance of the 2026 Project Notes, as to various tax requirements. The Authority has covenanted to comply with the provisions of the Code applicable to the 2026 Project Notes and has covenanted not to take any action or fail to take any action that would cause interest on the 2026 Project Notes to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificate and will assume continuing compliance by the Authority with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the 2026 Project Notes from gross income for federal income tax purposes and with respect to the treatment of interest on the 2026 Project Notes for the purposes of alternative minimum tax.

Assuming the Authority observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC, Bond Counsel to the Authority ("Bond Counsel"), is of the opinion that, under existing law, interest on the 2026 Project Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the 2026 Project Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the 2026 Project Notes is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the 2026 Project Notes from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the 2026 Project Notes ends with the issuance of the 2026 Project Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the owners of the 2026 Project Notes regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the 2026 Project Notes, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the 2026 Project Notes will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the 2026 Project Notes for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the 2026 Project Notes.

Payments of interest on tax-exempt obligations, including the 2026 Project Notes, are generally subject to IRS Form 1099-INT information reporting requirements. If an owner of the 2026 Project Notes is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Original Issue Premium

The 2026 Project Notes may be sold at an initial offering price in excess of the amount payable at the maturity date. The excess, if any, of the tax basis of the 2026 Project Notes to a purchaser (other than a purchaser who holds the 2026 Project Notes as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable note premium, which is not deductible from gross income for federal income tax purposes. Amortizable note premium, as it amortizes, will reduce the owner's tax cost of the 2026 Project

Notes used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the 2026 Project Notes. Accordingly, an owner of the 2026 Project Notes may have taxable gain from the disposition of the 2026 Project Notes, even though the 2026 Project Notes are sold, or disposed of, for a price equal to the owner's original cost of acquiring the 2026 Project Notes. Note premium amortizes over the term of the 2026 Project Notes under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the 2026 Project Notes should consult their own tax advisors with respect to the calculation of the amount of note premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the 2026 Project Notes.

Bank-Qualification

The 2026 Project Notes **will not** be designated as qualified under Section 265 of the Code by the Authority for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

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

Additional Federal Income Tax Consequences of Holding the 2026 Project Notes

Prospective purchasers of the 2026 Project Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the 2026 Project Notes, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the 2026 Project Notes from gross income pursuant to Section 103 of the Code and interest on the 2026 Project Notes not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the 2026 Project Notes should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the 2026 Project Notes.

Changes in Federal Tax Law Regarding the 2026 Project Notes

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State of New Jersey. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the 2026 Project Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the 2026 Project Notes will not have an adverse effect on the tax status of interest on the 2026 Project Notes or the market value or marketability of the 2026 Project Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the 2026 Project Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

State Taxation

Bond Counsel is of the opinion that, based upon existing law, interest on the 2026 Project Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE 2026 PROJECT NOTES ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL DECISIONS AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE 2026 PROJECT NOTES, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE 2026 PROJECT NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

APPROVAL OF LEGALITY

All legal matters incident to the authorization, issuance, sale and delivery of the 2026 Project Notes are subject to the approval of certain legal matters by McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Authority by its General Counsel, Randolph C. Lafferty, Esq., for the Local Unit by its Township Solicitor, Patrick F. Varga, Esq., Forked River, New Jersey, and its Bond Counsel, Fleishman Daniels Law Offices, LLC, Northfield, New Jersey, for the Underwriter by Archer & Greiner P.C., Red Bank, New Jersey, and for the Trustee by its counsel, FBT Gibbons LLP, Newark, New Jersey.

The various legal opinions and/or certifications to be delivered concurrently with the delivery of the 2026 Project Notes express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion and/or certification, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction. Nor does the rendering of an opinion and/or certification guarantee the outcome of any legal dispute that may arise out of the transaction

CREDIT RATING

Moody's Ratings ("Moody's") has assigned a rating of "MIG 1" to the 2026 Project Notes. Such rating reflects only the view of such organization, and an explanation of the significance of such rating may be obtained only from Moody's. There is no assurance that such rating will be retained for any given period of time or that such rating will not be revised downward entirely by Moody's if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2026 Project Notes. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

UNDERWRITING

The 2026 Project Notes are being purchased from the Authority by Raymond James & Associates, Inc., New York, New York (the "Underwriter"), pursuant to a purchase contract dated August _, 2026, at a purchase price of $__________ (the "Purchase Price"). The Purchase Price reflects the principal amount of the 2026 Project Notes, less an Underwriter's discount of $__________ plus an original issue premium of $__________.

MUNICIPAL ADVISOR

NW Financial Group, LLC, Bloomfield, New Jersey has served as Municipal Advisor to the Authority with respect to the issuance of the 2026 Project Notes (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

SECONDARY MARKET DISCLOSURE

Consistent with the requirements of Rule 15c2-12 ("Rule") of the Securities Exchange Act of 1934, as amended and supplemented, on the date of delivery of the 2026 Project Notes, the Authority and the Township will enter into a continuing disclosure agreement ("Continuing Disclosure Agreement") with Manufacturers and Traders Trust Company, as dissemination agent (the "Dissemination Agent"), for the benefit of the holders of the 2026 Project Notes pursuant to which the Authority and the Township will agree to comply on a continual basis with the disclosure requirements of the Rule. The Township and the Authority will covenant, in the Continuing Disclosure Agreement, to provide, through the Dissemination Agent, notice of the occurrence of certain enumerated events. The specific nature of the notices of enumerated events is set forth in the Continuing Disclosure Agreement, a form of which is included in its entirety as "APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

The Authority

The Authority previously failed to timely file certain notices of "Incurrence of a Financial Obligation", which were subsequently posted on September 20, 2022, December 20, 2022, June 20, 2024 and February 25, 2025. The Authority also failed to timely file certain notices with respect to rating changes to its Stockton University Lease Revenue Bonds, Series 2016A and Series 2021A, specifically Moody's Investors Service upgrade of their insured rating on March 18, 2022, Moody's Investors Service upgrade of its underlying rating on April 20, 2023, Fitch Ratings upgrade of its underlying rating on March 28, 2023 and the substitution of credit provider for the merger of AGM with AG on August 1, 2024. Such notices have since been filed.

The Authority has entered into previous undertakings in respect of various other bond and bond anticipation note issues. NW Financial Group, LLC, Bloomfield, New Jersey serves as continuing disclosure agent for the Authority.

The Township

During the previous five years, the Township failed to timely file a Notice of Incurrence of a Financial Obligation pursuant to Rule 15c2-12 in connection with the Township's $889,000 Bond Anticipation Notes issued on July 22, 2025.

At the time such notes were issued, the Atlantic County Improvement Authority Township Secured Lease Revenue Project Notes, Series 2024 (Township of Mullica Project), for which the Township was an Obligated Person, were outstanding. The required notice of financial obligation was not filed within the time period required by the applicable Continuing Disclosure Agreement.

The Township has subsequently filed a Notice of Incurrence of Financial Obligation together with a Notice of Failure to Timely File such notice on EMMA and has implemented procedures intended to help ensure compliance with its continuing disclosure undertakings in the future.

FINANCIAL STATEMENTS

The audited financial statements of the Township for 2025 and 2024, included in Appendix B to this Official Statement, have been audited by Ford, Scott & Associates, LLC independent certified public accountants, as stated in its report appearing in Appendix B to this Official Statement.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee or the 2026 Noteholders upon the occurrence of an event of default under the Resolution or any other related financing documents (but excluding the Continuing Disclosure Agreement) are dependent upon judicial actions that are often based on the discretion of the judge overseeing a proceeding. Administrative delays may also impact the timetable for judicial approval of the exercise of certain remedies. Under existing law, the remedies provided in such documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2026 Project Notes will be qualified as to enforceability of the various financing documents by limitations imposed by Federal and State laws affecting the rights of creditors, generally, and creditors in this type of transaction, specifically, including the availability of equitable remedies.

The United States Bankruptcy Code, 11 U.S.C. §101 *et seq.* (the "Bankruptcy Code"), permits entities that are unable to meet their debts to file a bankruptcy petition in the appropriate vicinage of the United States Bankruptcy Court. The Authority and the Local Unit would be a "municipality" (as defined in the Bankruptcy Code), and any bankruptcy of the Authority or the Local Unit would be governed by Chapter 9 of the Bankruptcy Code. Pursuant to the Bankruptcy Code, the Trustee must be notified of any bankruptcy. The petition, which is the document the Authority or the Local Unity would file to initiate a bankruptcy case, automatically stays any non-bankruptcy judicial or other proceeding against the Authority or the Local Unit.

If the debts of the Authority or the Local Unit were to be adjusted by a plan, that plan must meet the requirements of Chapter 9 of the Bankruptcy Code, 11 U.S.C. §901 *et seq.* Among other things, under Chapter 9 or Chapter 11, should any classes of claims be impaired under the plan, the plan must be approved by creditors of at least two-thirds of the amount of debts and more than one-half of the creditors of at least one (1) impaired class. To preserve the 2026 Noteholders' claim in any bankruptcy, the Trustee may be required to file a claim and to undertake other actions in the Bankruptcy Court. Failure to take such actions may impair the 2026 Noteholders' claim. In any bankruptcy, it is possible that the debts created by the 2026 Project Notes will not be paid in full.

Under Chapter 9, the Bankruptcy Code provides that special revenues acquired by the debtor after the commencement of the case shall continue to be available to pay debt service secured by those revenues. Claimants whose only recourse for payment is certain special revenues shall not have recourse against a "municipality" in a bankruptcy proceeding to any greater extent than that provided by State law and the applicable documents. Payments made for the benefit of the 2024 Noteholders immediately prior to the bankruptcy will not be subject to avoidance as "preferential" (as defined in the Bankruptcy Code).

The State has authorized municipalities to file petitions for relief under the Bankruptcy Code pursuant and subject to Article 8 of the New Jersey Municipal Finance Commission Act (the "Commission Act"), N.J.S.A. 52:27-40 *et seq.* The Commission Act provides that such petitions may not be filed without the prior approval of the Local Finance Board, as successor to the Municipal Finance Commission referred to in the Commission Act, and that no plan of adjustment of the debts of a municipality may be filed or accepted by the municipality, or confirmed by the Bankruptcy Court with the support of the municipality, without express authority from the Local Finance Board to file or support a plan of adjustment.

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE AUTHORITY OR THE LOCAL UNIT EXPECTS TO RESORT TO THE PROVISIONS OF THE BANKRUPTCY CODE OR THAT IF THE AUTHORITY OR THE LOCAL UNIT DID, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, IF APPLICABLE, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE 2026 PROJECT NOTES.

APPENDICES

Appendix A to this Official Statement consists of general information concerning the Township which has been provided by the Township from public documents of the Township and from other public or official documents or publications which are referred to therein. The Authority has not confirmed the accuracy or completeness of said information, and the Authority disclaims any responsibility for the accuracy and completeness thereof. Audited financial statements and other financial information pertaining to the Authority are available on the Authority's website at *www.acianj.org*, under the "About" tab.

Appendix B to this Official Statement consists of certain financial information concerning the Township. The Authority has not confirmed the accuracy or completeness of said information, and the Authority disclaims any responsibility for the accuracy and completeness thereof.

Appendix C this Official Statement consists of certain documents. Copies of such documents are on file in the offices of the Authority and Trustee.

Appendix D to this Official Statement consists of the form of Continuing Disclosure Agreement.

Appendix E to this Official Statement consists of the form of approving legal opinion of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority. Copies of such opinion will be available at the time of delivery of the 2026 Project Notes.

MISCELLANEOUS

The references herein to the Act, the Resolution and the Lease Agreement are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made to the Act, the Resolution, and the Lease Agreement for full and complete statements of such provisions. These documents may be inspected at the principal corporate trust office of the Trustee.

Any statements which are contained in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. All estimates and assumptions herein have been made on the best information available and are believed to be reliable but no representations whatsoever are made that such estimates or assumptions are correct or will be realized. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or holders of the 2026 Project Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Township or the Authority since the date hereof.

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

ATLANTIC COUNTY IMPROVEMENT AUTHORITY

By:______________________________________
Roy M. Foster, Chairperson

TOWNSHIP OF MULLICA, NEW JERSEY

By: ________________________________
Kyle Roller, Chief Financial Officer

DATED: __________, 2026

APPENDIX A

Certain Information Relating to the Township of Mullica

[THIS PAGE INTENTIONALLY LEFT BLANK]

GENERAL INFORMATION

General Information

The Township of Mullica (the "Township" or "Mullica Township") encompasses an area of approximately 56 square miles in the County of Atlantic in the State of New Jersey with an estimated population of 5,853.

Mullica Township was incorporated as a township by an act of the New Jersey Legislature on March 13, 1838, from the western section of Galloway Township. Egg Harbor City was created from portions of the township on June 14, 1858, while the Town of Hammonton was created and split off on March 5, 1866.

The Township and its river were named after Eric Pålsson Mullica, an early Finnish settler born in 1636 who founded a homestead on the river after moving there from the vicinity of Philadelphia, and who later moved to Mullica Hill in Gloucester County.

Form of Government

Mullica Township is governed under the Township form of New Jersey municipal government. The Township Committee is comprised of five members, who are elected directly by the voters at-large in partisan elections to serve three-year terms of office on a staggered basis, with either one or two seats coming up for election each year as part of the November general election in a three-year cycle. The mayor and deputy mayor are selected at an annual reorganization meeting by the Committee from among its members to serve terms of one year. The mayor presides over Township Committee meetings. Below is a summary of the Township's municipal departments and relevant public officials:

Monica Newton, Acting Municipal Clerk

The Municipal Clerk serves as secretary to the Governing Body, and is the custodian of all minutes, ordinances, resolutions, contracts and archival records of the municipality. The Township Clerk's office also issues dog, liquor and raffle licenses, administrative permits, registers voters and provides general information to the public. The Municipal Clerk also serves as Personnel Coordinator and coordinates the administration of all departments and offices.

Kyle Roller, Temporary Chief Financial Officer

The Office of the Chief Financial Officer is responsible for all financial operations within the Township. The CFO prepares the annual financial statements, annual budget and debt statements. The CFO assists in the negotiations of labor contracts at the direction of Governing Body. In Mullica Township, the CFO also oversees purchasing, payroll, grants and insurance. Mr. Roller also serves as the Township's grants coordinator, safety coordinator, and fund commissioner to the Atlantic County Municipal Joint Insurance Fund.

Christopher Silva, Chief of Police

The Mullica Township Police Department is responsible for patrolling nearly sixty square miles. The Department provides law enforcement services throughout the Township. The Department's mission is to work in a true partnership with the Township's citizens to enhance the quality of life in the Township and, by raising the level of public safety through law enforcement, to reduce the fear and incidence of crime.

Albert Gras, Public Works Superintendent

The Public Works Department is responsible for the care and maintenance of streets and roads, public buildings and places within the Township, municipal motor vehicles, and other public works facilities and equipment.

Thomas Hall, Tax Assessor

The Municipal Tax Assessor shall (i) value all real property in the Township for the purpose of assessments and taxation in accordance with general law and Township ordinances; (ii)prepare the tax lists in duplicate as required by law and maintain adequate records for each and every parcel of real property assessed or exempted; (iii) have custody of and maintain an up-to-date Township Tax Map and provide for the recording thereon of all changes in ownership or character of property assessed, employing for that purpose the facilities of other departments as required; and (iv) report to the Township Committee as to equalization proceedings and other matters involving the County Tax Board and make recommendations as to action to be taken in that regard.

Corie Hendrickson, Tax Collector

The Tax Collector is responsible for the billing, collection and recording of all taxes levied upon the properties in the Township. Tax payments are due quarterly: February 1, May 1, August 1, and November 1.

Parks, Recreation and Open Spaces

The Township's Recreation Facility is home to the Pine Cone Zone, a playground for children, an adult fitness area, various soccer and baseball fields, two batting cages, basketball court and a concession stand. The Mullica Township Recreation Association comprises volunteers from the Township who oversee all of the formal recreation activities in the Township. Funding is provided through the Municipal Budget and from the various programs. The Recreation Association and the Mullica Township Road Department maintain the site.

Transportation

The Township has a total of approximately 155 miles of roadways, of which 130 miles are maintained by the municipality, 17 miles by Atlantic County and 8 miles by the New Jersey Department of Transportation.

Labor Contracts

The Township has the following labor unions:

- AFSCME AFL-CIO Council 63 represents the employees of the Public Works Department. The current contract expires December 31, 2027.
- NJ State Policemen's Benevolent Association, Inc., Mainland Local No. 77 represents all sworn law enforcement officers. The current contract expires on December 31, 2029.

Population[1]

Population trends for the Township, County and the State of New Jersey since 1980 are shown below:

	1980	1990	2000	2010	2020
Township of Mullica	5,243	5,896	5,912	6,147	5,816
County of Atlantic	194,119	224,327	252,552	274,685	274,534
State of New Jersey	7,364,823	7,730,188	8,143,412	8,791,894	9,288,994

ECONOMIC AND DEMOGRAPHIC INFORMATION

Labor Force, Employment and Unemployment[2]

The New Jersey Department of Labor reported the following annual average employment information for the Township of Mullica, the County of Atlantic and the State of New Jersey.

	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
Township of Mullica				
2025	3,065	2,875	190	6.2%
2024	3,052	2,892	160	5.2%
2023	3,041	2,890	151	5.0%
2022	3,036	2,866	170	5.6%
2021	2,988	2,733	255	8.5%
County of Atlantic				
2025	136,292	127,188	9,104	6.7%
2024	135,506	127,836	7,670	5.7%
2023	134,796	127,750	7,046	5.2%
2022	133,129	126,553	6,576	4.9%
2021	132,882	120,696	12,186	9.2%
State of New Jersey				
2025	4,905,633	4,648,499	257,134	5.2%
2024	4,898,005	4,676,064	221,944	4.5%
2023	4,829,671	4,615,722	213,949	4.4%
2022	4,736,213	4,552,563	183,650	3.9%
2021	4,661,100	4,465,400	295,700	6.3%

Income[3]

	Median Household Income	Per Capita Income
Township of Mullica	$93,421	$43,565
County of Atlantic	78,050	41,637
State of New Jersey	103,556	54,253

1 Source: U.S. Census Bureau

2 Source: State of New Jersey, Department of Labor and Workforce Development.

3 Source: U.S. Census Bureau, 2020-2024 American Community Survey 5-Year Estimates

BUDGET INFORMATION
Current Fund (as Adopted) [4]

	2026	2025	2024	2023	2022
Anticipated Revenues					
Fund Balance	$1,100,000.00	$1,395,000.00	$1,124,138.00	$1,020,000.00	$1,020,000.00
Miscellaneous Revenues	1,138,798.98	1,164,478.33	1,301,802.51	1,466,599.09	1,939,875.05
Receipts from Delinquent Taxes	440,000.00	400,000.00	425,000.00	425,000.00	445,000.00
Amount To be Raised by Taxes for Support of Municipal Budget	5,308,876.84	4,995,904.72	4,718,603.67	4,498,297.23	4,203,195.98
Appropriations					
Salary and Wages	$2,068,140.00	$2,108,681.97	$2,231,626.00	$2,147,820.00	$2,100,125.00
Other Expenses	2,820,186.00	2,741,947.00	2,388,793.00	2,199,865.29	2,102,291.00
Statutory Expenditures	722,062.00	758,283.00	699,695.00	618,339.00	603,837.00
Operations Excluded from CAPS	1,011,919.34	971,229.79	895,429.12	1,139,272.55	1,609,604.68
Deferred Charges	0	0	0	0	39,000.00
Capital Improvements	231,023.00	234,190.00	275,450.00	261,640.00	175,477.00
Municipal Debt Service	375,103.89	384,430.56	336,300.00	329,500.00	304,400.00
Reserve for Uncollected Taxes	759,241.59	756,620.73	742,251.06	713,459.48	673,336.35

FINANCIAL INFORMATION

Current Fund Balance and Amounts Utilized in Succeeding Year's Budget[4]

Year	Fund Balance December 31	Utilized in Budget of Succeeding Year
2025	$1,111,345.56	$1,100,000.00
2024	1,825,711.88	1,395,000.00
2023	1,302,529.85	1,124,138.00
2022	1,139,574.60	1,020,000.00
2021	1,487,509.15	1,020,000.00

Current Tax Collections[5]

		Collection During Year of Levy	
Year	Tax Levy	Amount	Percent
2025	$18,400,458.90	$17,872,880.70	97.13%
2024	16,670,082.58	16,056,993.38	96.32
2023	16,413,084.48	15,868,353.66	96.68
2022	15,692,510.03	15,195,961.68	96.83
2021	14,989,388.82	14,439,080.05	96.32

4 Source: Township of Mullica Adopted Budgets
5 Source: Township of Mullica Annual 2021-2025 Audit Reports

Delinquent Taxes and Tax Title Liens[6]

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Levy
2025	$712,803.87	$452,647.83	$1,165,451.70	6.33%
2024	645,002.17	505,913.24	1,150,915.41	6.90
2023	626,304.02	479,286.13	1,105,590.15	6.74
2022	580,887.80	432,257.40	1,013,145.22	6.46
2021	538,911.69	477,868.23	986,779.92	6.58

Assessed Valuation of Property Owned by the Township Acquired for Taxes[6]

Year	Amount
2025	$2,502,750
2024	2,506,350
2023	2,779,000
2022	3,286,300
2021	3,341,500

Ten Largest Taxpayers[7]

The ten largest taxpayers in the Township and their 2025 assessed valuations are listed below:

Taxpayer	Assessment
NJ CARP APP TR & ED FUND	$2,285,300
VIKING YACHT COMPANY	2,183,600
SWEETWATER REAL ESTATE ACQ. L.L.C.	1,504,500
ANTHONY B. JR & HELEN T. CIMINO	1,154,500
BLUE PINES REVOCABLE TRUST	1,041,300
RONALD M. WEISS II FAMILY L.P.	950,000
BLUE LEAPORD CORP., AN N.J. CORP.	882,600
CRISTIAN S. & ALISA F. ACIU	788,200
ELITE PROPERTIES, L.L.C.	729,100
CARMEN JR. & MARY JANE MERLINO	700,000

6 Source: Township of Mullica Annual Audit Reports

7 Source: Township of Mullica Tax Assessor

Assessed Valuation Land Improvements by Class[8]

Year	Vacant Land	Residential	Farm Homestead & Farm Land	Commercial	Industrial	Apartment	Total
2025	$12,301,000	$410,445,400	$12,589,800	$23,709,100	$2,637,700	$550,000	$462,233,000
2024	12,443,500	409,133,200	12,915,500	24,011,200	2,637,700	550,000	461,691,100
2023	12,392,600	408,082,200	12,609,100	24,065,400	2,367,700	550,000	460,067,000
2022	12,483,900	405,879,000	12,216,800	24,176,400	2,367,700	882,600	458,006,400
2021	12,635,800	403,383,200	12,179,300	23,247,200	2,367,700	882,600	454,695,800

Assessed Valuations Net Valuation Taxable[9]

Year	Net Valuation Taxable	Ratio of Assessed Value to True Value of Real Property	Total True Value of Assessed Property
2025	$462,233,000	57.62%	$802,209,302
2024	461,691,100	59.84	771,542,614
2023	460,067,000	69.71	659,972,744
2022	458,006,400	74.78	612,471,784
2021	454,695,800	85.28	533,179,878

Components of Real Estate Tax Rate[10]
(Per $100 of Assessment)

Year	Total	Municipal	Local School	County
2025	3.966	1.081	2.186	.699
2024	3.598	1.022	1.942	.634
2023	3.553	.978	1.912	.663
2022	3.411	.918	1.880	.613
2021	3.276	.898	1.805	.573

8 Source: Township of Mullica

9 Source: Atlantic County Abstract of Ratables and Township of Mullica

10 Source: Tax Collector

DEBT INFORMATION

Debt Statements

The Township must report all new authorizations of debt or changes in previously authorized debt to the Division of Local Government Services, Department of Community Affairs of the State of New Jersey (the "Division"). The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 31 of each year the Township must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the Township as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

Debt Incurring Capacity as of December 31, 2025[11]

Municipal	
Equalized Valuation Basis (last 3 years average)	$744,574,886.67
3 ½% Borrowing Margin	26,060,121.03
Net Debt Issued, Outstanding and Authorized	889,000.00
Remaining Municipal Borrowing Capacity	$25,171,121.03
Local School	
3% Borrowing Margin	$22,337,246.60
Debt, Issued, Outstanding and Authorized	2,525,000.00
Remaining School Borrowing Capacity	$19,812,246.60

Gross and Statutory Net Debt[12]

Year	Gross Debt Amount	Statutory Net Debt Amount	Statutory Net Debt Percentage
2025	$10,072,338	$ 889,000	0.119%
2024	7,647,191	1,049,000	0.154
2023	1,339,000	1,339,000	0.222
2022	1,144,000	1,144,000	0.211
2021	1,414,000	1,414,000	0.285

[11] Source: Township of Mullica 2025 Annual Debt Statement

[12] Source: Township of Mullica 2025 Annual Debt Statement and Annual Audit Reports

Statement of Indebtedness as of December 31, 2025[13]

GENERAL PURPOSES

Bonds and Notes Issued and Outstanding			
Bonds	$0.00		
Notes	889,000.00		
Bonds and Notes Authorized But Not Issued	0.00		
		$889,000.00	

SCHOOL

Local School Bonds Outstanding		2,525,000.00	
Regional School Bonds Outstanding		6,658,338.22	
TOTAL GROSS DEBT		$10,072,338.22	

STATUTORY DEDUCTIONS

School Debt		$9,183,338.22	
Municipal		0.00	
TOTAL DEDUCTIONS		$9,183,338.22	
TOTAL NET DEBT			$889,000.00

OVERLAPPING DEBT[14]

County of Atlantic	$3,653,623.70
Atlantic County Utilities Authority	359,331.95
TOTAL OVERLAPPING DEBT	$4,012,955.65

GROSS DEBT	
Per Capita (2020 Estimated Population: 5,816)	$1,731.83
Percent of Net Valuation Taxable (2025 - $462,233,000)	2.18%
Percent of Estimated True Value of Real Property (2025 - $802,209,302)	1.26%
NET MUNICIPAL DEBT	
Per Capita (2020 Estimated Population: 5,816)	$152.85
Percent of Net Valuation Taxable (2025 - $462,233,000)	0.19%
Percent of Estimated True Value of Real Property (2025 - $802,209,302)	0.11%
OVERALL DEBT (Gross and Overlapping Debt)	
Per Capita (2020 Estimated Population: 5,816)	$2,421.82
Percent of Net Valuation Taxable (2025 - $462,233,000)	3.05%
Percent of Estimated True Value of Real Property (2025 - $802,209,302)	1.76%

[13] Source: Township of Mullica 2025 Annual Debt Statement and Annual Audit Reports

[14] Source: County of Atlantic and the Atlantic County Utilities Authority - Overlapping debt was computed based upon the real property ratio of equalized valuations of the municipality to all municipalities within the County of Atlantic.

APPENDIX B

Audited Financial Statements of the Township

[THIS PAGE INTENTIONALLY LEFT BLANK]

FORD - SCOTT
& ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226
PHONE 609.399.6333 • FAX 609.399.3710
www.ford-scott.com

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of Township Committee
Township of Mullica, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Mullica, as of December 31, 2025 and 2024, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2025 and 2024, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2025 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Basis for Opinions

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Mullica on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Mullica's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division of Local Government Services, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township of Mullica's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether in our judgement there are conditions or events considered in the aggregate, that raise substantial doubt about the Township of Mullica's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Mullica basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the regulatory basis financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2026, on our consideration of the Township of Mullica's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Mullica's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla

Nancy Sbrolla
Certified Public Accountant
Registered Municipal Accountant
No. 542

April 17, 2026

Exhibit A
Sheet 1

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,

		2025	2024
ASSETS			
Regular Fund:			
Cash:			
Cash Treasurer	$	2,632,824.55	2,959,393.34
Cash - Change		200.00	200.00
Petty Cash Fund		100.00	100.00
Total Cash		2,633,124.55	2,959,693.34
Other Receivables:			
Due from State - Senior & Vet Deductions		1,324.67	74.67
Total Other Receivables		1,324.67	74.67
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable		452,647.83	505,913.24
Tax Title and Other Liens		712,803.37	645,002.17
Property Acquired for Taxes - at Assessed Valuation		2,502,750.00	2,506,350.00
Property Deeded To Township		568,400.00	568,400.00
Due from Grant Fund		44,779.06	-
Total Receivables and Other Assets		4,281,380.26	4,225,665.41
Deferred Charges:			
Special Emergency Appropriation			-
Total Deferred Charges		-	-
Total Regular Fund		6,915,829.48	7,185,433.42
Federal and State Grant Fund:			
Cash		-	-
Due from Current Fund		-	383,067.86
Federal and State Grants Receivable		656,851.20	836,408.71
Total Federal and State Grant Fund		656,851.20	1,219,476.57
Total Current Fund	$	7,572,680.68	8,404,909.99

The accompanying Notes to Financial Statements are an integral part of this statement

Exhibit A
Sheet 2

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,

		2025	2024
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	$	360,779.65	175,347.35
Reserve for Encumbrances		255,043.51	208,397.40
Accounts Payable		-	7,665.89
Prepaid Taxes		214,482.22	221,270.81
Overpaid Taxes		1,269.94	179.90
Local School Tax Payable		654,887.89	108,839.41
Regional High School Tax Payable		22,914.50	-
County Added Tax Payable		12,058.49	11,833.31
Payroll Taxes Payable		348.61	14,166.72
Due to State:			
DCA Fees		756.00	2,119.00
Marriage Licenses		-	600.00
Interfund Payable:			
Trust - Other		562.85	568.48
Grant Fund			383,067.86
		1,523,103.66	1,134,056.13
Reserve for Receivables and Other Assets		4,281,380.26	4,225,665.41
Fund Balance		1,111,345.56	1,825,711.88
Total Regular Fund		6,915,829.48	7,185,433.42
Federal and State Grant Fund:			
Unappropriated Reserves		-	768.49
Appropriated Reserves		376,688.64	500,783.14
Due to Current Fund		44,779.06	-
Encumbrances Payable		235,383.50	717,924.94
Total Federal and State Grant Fund		656,851.20	1,219,476.57
Total Current Fund	$	7,572,680.68	8,404,909.99

The accompanying Notes to Financial Statements are an integral part of this statement

Exhibit A - 1
Sheet 1

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,

		2025	2024
Revenue and Other Income Realized			
Fund Balance	$	1,395,000.00	1,124,138.00
Miscellaneous Revenue Anticipated		1,246,278.50	1,493,850.02
Receipts from Delinquent Taxes		496,215.84	512,811.55
Receipts from Current Taxes		17,872,880.70	16,056,993.38
Non Budget Revenue		119,497.78	103,618.79
Sale of Foreclosed Property		6,250.00	221,559.60
Sale of Municipal Assets		24,378.54	5,281.00
Other Credits to Income:			
Unexpended Balance of Appropriation Res.		172,933.71	267,687.75
Correction to Reserve for State Aid			0.40
Cancelled Grants		11.79	-
Total Income		21,333,446.86	19,785,940.49
Expenditures			
Budget and Emergency Appropriations:			
Appropriations Within "CAPS"			
Operations:			
Salaries and Wages		2,099,301.97	2,177,301.00
Other Expenses		2,770,447.00	2,448,364.79
Deferred Charges & Statutory Expenditures		709,354.00	694,448.21
Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages		192,134.00	151,938.00
Other Expenses		869,470.40	846,182.62
Capital Improvements		234,190.00	275,450.00
Debt Service		384,426.79	336,270.87
Deferred Charges		-	
Local District School Tax		6,319,752.00	5,227,667.00
Regional High School District Tax		3,784,135.00	3,043,844.00
County Tax		3,230,678.63	2,924,898.66
County Share of Added Tax		12,058.49	11,833.31
Cancellation of Grants Receivable		-	-
Interfunds Created		44,779.06	-
Refund Prior Year Revenue		2,085.84	422.00
Total Expenditures		20,652,813.18	18,138,620.46
Excess in Revenue		680,633.68	1,647,320.03

The accompanying Notes to Financial Statements are an integral part of this statement

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,

		2025	2024
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year		-	-
Emergency Appropriation			
Total Adjustments		-	-
Statutory Excess to Fund Balance		680,633.68	1,647,320.03
Fund Balance January 1		1,825,711.88	1,302,529.85
		2,506,345.56	2,949,849.88
Decreased by:			
Utilization as Anticipated Revenue		1,395,000.00	1,124,138.00
Fund Balance December 31	$	1,111,345.56	1,825,711.88

The accompanying Notes to Financial Statements are an integral part of this statement

Exhibit A-2

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Anticipated Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	$ 1,395,000.00		1,395,000.00	-
Total Fund Balance Anticipated	1,395,000.00	-	1,395,000.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	4,050.00		5,050.00	1,000.00
Municipal Court	10,000.00		31,868.41	21,868.41
Interest and Costs on Taxes	85,000.00		88,342.44	3,342.44
Interest on Investments and Deposits	40,000.00		42,971.75	2,971.75
Trailer Pad Fees	40,000.00		44,160.00	4,160.00
Cell Tower Revenues	40,000.00		40,509.32	509.32
Total Section A: Local Revenues	219,050.00	-	252,901.92	33,851.92
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	457,163.00		457,163.34	0.34
Garden State Trust	51,031.00		51,031.00	-
Municipal Relief Aid				-
Total Section B: State Aid Without Offsetting Appropriations	508,194.00	-	508,194.34	0.34
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	70,000.00		67,260.00	(2,740.00)
Total Section C: Uniform Construction Code Fees	70,000.00	-	67,260.00	(2,740.00)

The accompanying Notes to Financial Statements are an integral part of this statement

Exhibit A-2

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Anticipated			
	Budget	N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Section D: Interlocal Municipal Service Agreements Offset with Appropriations				
Interlocal Agreement - School Resource Officer	100,000.00		90,122.30	(9,877.70)
Total Section D: Interlocal Municipal Service Agreements Offset with Appropriations	100,000.00	-	90,122.30	(9,877.70)
Section F: Special Items - Public and Private Programs Off-Set with Appropriations				
Recycling Tonnage Grant		6,928.35	6,928.35	-
Municipal Alliance on Alcoholism & Drug Abuse	7,137.84		7,137.84	-
Federal Vest Partnership			-	-
Distracted Driver Grant	7,000.00		7,000.00	-
Click or Ticket		5,600.00	5,600.00	
Clean Communities		28,337.26	28,337.26	
Safe & Secure Communities	23,138.00		23,138.00	
CARE Grant		2,100.00	2,100.00	
Sustainable Jersey		5,000.00	5,000.00	
NJDOT	229,190.00		229,190.00	
Drive Sober or Get Pulled Over		12,600.00	12,600.00	
NJDEP Stormwater Grant			-	
Body Armor Grant	768.49		768.49	
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	267,234.33	60,565.61	327,799.94	-

The accompanying Notes to Financial Statements are an integral part of this statement

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Anticipated Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Section G: Special Items of Revenue Anticipated with Prior Written Consent of Director				
Capital Fund Surplus			-	-
Total Section G: Special Items of Revenue Anticipated with Prior Written Consent of Director	-	-	-	-
Total Miscellaneous Revenues:	1,164,478.33	60,565.61	1,246,278.50	21,234.56
Receipts from Delinquent Taxes	400,000.00		496,215.84	96,215.84
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	4,995,904.72		5,282,877.31	286,972.59
Total Amount to be Raised by Taxes for Support of Municipal Budget	4,995,904.72	-	5,282,877.31	286,972.59
Budget Totals	7,955,383.05	60,565.61	8,420,371.65	404,422.99
Non- Budget Revenues:				
Other Non- Budget Revenues:			119,497.78	119,497.78
	7,955,383.05	60,565.61	8,539,869.43	523,920.77

The accompanying Notes to Financial Statements are an integral part of this statement

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Analysis of Realized Revenues		
Allocation of Current Tax Collections:		
Revenue from Collections		$ 17,872,880.70
Less: Reserve for Tax Appeals Pending		-
Net Revenue from Collections		17,872,880.70
Allocated to:		
School, County and Other Taxes		13,346,624.12
Balance for Support of Municipal Budget Appropriations		4,526,256.58
Increased by:		
Appropriation "Reserved for Uncollected Taxes"		756,620.73
Amount for Support of Municipal Budget Appropriations		5,282,877.31
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	495,440.71	
Tax Title Lien Collections	775.13	
Total Receipts from Delinquent Taxes		496,215.84
Analysis of Non-Budget Revenue:		
Miscellaneous Revenue Not Anticipated:		
Miscellaneous	349.90	
Clerk's Office	3,568.00	
Fees and Permits	37,450.95	
Licenses	6,490.00	
Community Champions Registration Fees	9,700.00	
Cable Franchise Fees	20,995.01	
Administrative Operations	39,943.92	
Billboard Lease	1,000.00	
Total Miscellaneous Revenue Not Anticipated:		$ 119,497.78

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriations		Expended			(Over expended) Unexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Balance Cancelled
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
General Administration						
Salaries and Wages	$ 6,426.97	6,426.97	6,426.97		-	-
Township Committee						
Salaries and Wages	15,000.00	15,000.00	14,746.86		253.14	-
Other Expenses	4,000.00	2,500.00	1,198.00		1,302.00	-
Municipal Clerk						
Salaries and Wages	121,000.00	91,000.00	80,157.50		10,842.50	-
Other Expenses	75,000.00	45,000.00	31,532.76	854.00	12,613.24	-
Financial Administration						
Salaries and Wages	99,930.00	99,930.00	99,926.03		3.97	-
Other Expenses	17,000.00	17,000.00	14,229.60	500.00	2,270.40	-
Audit Services						
Other Expenses	28,000.00	28,000.00	28,000.00		-	-
Technology						
Salaries and Wages	9,700.00	9,700.00	9,689.16		10.84	-
Other Expenses	23,000.00	23,000.00	5,918.57		17,081.43	-
Collection of Taxes						
Salaries and Wages	73,625.00	73,625.00	71,814.39		1,810.61	-
Other Expenses	16,000.00	16,000.00	11,607.91		4,392.09	-
Tax Assessment Administration						
Salaries and Wages	30,000.00	30,000.00	26,321.40		3,678.60	-
Other Expenses	6,000.00	6,000.00	3,794.40	684.31	1,521.29	-
Legal Services						
Other Expenses	110,000.00	90,000.00	52,138.04	37,790.00	71.96	-
Engineering Services and Costs						
Other Expenses	35,000.00	50,000.00	34,438.50	15,061.50	500.00	-
Historical Society						
Other Expenses	5,000.00	5,000.00	5,000.00		-	-
LAND USE ADMINISTRATION						
Planning Board						
Salaries and Wages	7,000.00	7,000.00	6,999.98		0.02	-
Other Expenses	33,500.00	43,500.00	20,575.59	16,086.75	6,837.66	-

The accompanying Notes to Financial Statements are an integral part of this statement

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriations		Expended			(Over expended) Unexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Balance Cancelled
INSURANCE						
General Liability	152,850.00	152,850.00	152,850.00		-	-
Worker's Compensation	102,000.00	102,000.00	101,025.00		975.00	-
Employee Group Insurance	1,173,596.00	1,173,596.00	1,173,596.00		-	-
Health Benefits Waiver	18,000.00	18,000.00	13,193.74		4,806.26	-
PUBLIC SAFETY						
Police						
Salaries and Wages	1,380,000.00	1,395,000.00	1,312,289.51		82,710.49	-
Other Expenses	131,000.00	131,000.00	85,105.90	42,228.14	3,665.96	-
Office of Emergency Management						
Salaries and Wages	5,500.00	5,500.00	5,461.32		38.68	-
Other Expenses	1,000.00	1,000.00	87.00		913.00	-
Aid to Volunteer Fire Companies	69,000.00	69,000.00	69,000.00		-	-
Emergency Medical Services	20,000.00	20,000.00	20,000.00		-	
PUBLIC WORKS						
Public Works						
Salaries and Wages	215,000.00	215,000.00	212,063.12		2,936.88	-
Other Expenses	45,000.00	50,000.00	45,299.47	1,250.58	3,449.95	-
Storm Recovery	1.00	14,001.00	14,001.00		-	-
Public Building and Grounds						
Other Expenses	37,500.00	42,500.00	35,423.21	2,682.34	4,394.45	-
Vehicle Maintenance	160,000.00	160,000.00	117,125.00	36,707.70	6,167.30	-
SANITATION						
Landfill & Solid Waste Disposal Costs						
Other Expenses	210,000.00	235,000.00	190,361.80	27,086.74	17,551.46	-
HEALTH AND WELFARE						
Animal Control Services						
Other Expenses	10,000.00	10,000.00	6,020.00		3,980.00	-

The accompanying Notes to Financial Statements are an integral part of this statement

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriations		Expended			(Over expended) Unexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Balance Cancelled
RECREATION AND EDUCATION						
Senior Citizen Advisory Commission						
Other Expenses	1,000.00	1,000.00	843.93		156.07	-
Recreation Services & Programs						
Other Expenses	5,000.00	5,000.00	5,000.00		-	-
Maintenance of Parks						
Other Expenses	25,000.00	31,000.00	26,575.20	2,226.50	2,198.30	-
UNIFORM CONSTRUCTION CODE						
Construction Official						
Salaries and Wages	83,000.00	83,000.00	76,732.40		6,267.60	-
Other Expenses	5,000.00	5,000.00	2,597.64		2,402.36	-
Other Code Enforcement Functions						
Salaries and Wages	34,500.00	34,500.00	24,758.63		9,741.37	-
Other Expenses	2,500.00	2,500.00	38.75		2,461.25	-
UNCLASSIFIED						
Utilities						
Electricity & Natural Gas	110,000.00	110,000.00	86,372.85	6,790.22	16,836.93	-
Telecommunications Costs	29,000.00	29,000.00	22,719.81		6,280.19	-
Petroleum Products	100,000.00	100,000.00	75,189.68	19,675.91	5,134.41	-
Settlement Award	-	-			-	-
Accumulated Leave Compensation	10,000.00	15,620.00	15,620.00		-	-
TOTAL OPERATIONS WITHIN "CAPS"	4,850,628.97	4,869,748.97	4,413,866.62	209,624.69	246,257.66	-

The accompanying Notes to Financial Statements are an integral part of this statement

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriations		Expended			(Over expended) Unexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Balance Cancelled
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	4,850,628.97	4,869,748.97	4,413,866.62	209,624.69	246,257.66	-
Detail:						
Salaries and Wages	2,108,681.97	2,099,301.97	1,976,201.01	-	123,100.96	-
Other Expenses	2,741,947.00	2,770,447.00	2,437,665.61	209,624.69	123,156.70	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	100,646.00	101,526.00	101,524.53		1.47	-
Social Security System (O.A.S.I.)	185,000.00	165,000.00	158,791.79		6,208.21	-
Police and Fireman's Pension Fund	425,328.00	425,328.00	425,328.00		-	-
Unemployment Compensation Insurance	15,000.00	15,000.00	9,185.61		5,814.39	
Defined Contribution Retirement Program	2,500.00	2,500.00	1,922.57		577.43	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	728,474.00	709,354.00	696,752.50	-	12,601.50	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	5,579,102.97	5,579,102.97	5,110,619.12	209,624.69	258,859.16	-
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Employee Group Insurance	134,404.00	134,404.00	64,404.90		69,999.10	-
Public Employees' Retirement System	-	-			-	-
Police and Fireman's Pension Fund	29,809.00	29,809.00	29,809.00		-	-
NJ DEP Stormwater Management						
Other Expenses	10,000.00	10,000.00	2,315.00	7,000.00	685.00	-
Interlocal Municipal Service Agreements						
Police Dispatch	273,000.00	273,000.00	269,406.54	371.35	3,222.11	-
School Resource Officer	100,000.00	100,000.00	73,648.00		26,352.00	-
Solid Waste Collection	352,000.00	352,000.00	312,291.25	38,047.47	1,661.28	-
Municipal Court	1.00	1.00	-		1.00	-
Municipal Clerk	10,000.00	10,000.00	10,000.00		-	
	909,214.00	909,214.00	761,874.69	45,418.82	101,920.49	-

The accompanying Notes to Financial Statements are an integral part of this statement

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriations		Expended			(Over expended) Unexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Balance Cancelled
(A) Public and Private Programs Off-Set by Revenues						
Clean Communities		28,337.26	28,337.26		-	-
Municipal Alliance on Alcoholism and Drug Abuse					-	-
State Match	7,137.84	7,137.84	7,137.84		-	-
Local Match	1,784.46	1,784.46	1,784.46		-	-
Recycling Tonnage Grant	-	6,928.35	6,928.35		-	-
Safe and Secure Communities	23,138.00	23,138.00	23,138.00		-	-
Local Match	51,996.00	51,996.00	51,996.00		-	-
Distracted Driver Grant	7,000.00	7,000.00	7,000.00		-	-
Click it or Ticket		5,600.00	5,600.00		-	-
Sustainable Jersey		5,000.00	5,000.00		-	-
Drive Sober or Get Pulled Over		12,600.00	12,600.00		-	-
CARE Grant		2,100.00	2,100.00		-	-
Body Armor Grant	768.49	768.49	768.49		-	-
Total Public and Private Programs Off-Set by Revenues	91,824.79	152,390.40	152,390.40	-	-	-
Total Operations - Excluded from "CAPS"	1,001,038.79	1,061,604.40	914,265.09	45,418.82	101,920.49	-
Detail:						
Salaries and Wages	192,134.00	192,134.00	165,782.00	-	26,352.00	-
Other Expenses	808,904.79	869,470.40	748,483.09	45,418.82	75,568.49	-
(C) Capital Improvements						
Capital Improvement Fund	-	-	-		-	-
NJ Department of Transportation	229,190.00	229,190.00	229,190.00		-	-
Fire Department Equipment					-	-
Road Improvement Reserve	5,000.00	5,000.00	5,000.00		-	-
Total Capital Improvements	234,190.00	234,190.00	234,190.00	-	-	-

The accompanying Notes to Financial Statements are an integral part of this statement

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriations		Expended			(Over expended) Unexpended
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Balance Cancelled
(D) Debt Service						
Payment of Bond Principal	-	-			-	-
Payment of Bond Anticipation Notes and Capital Notes	160,000.00	160,000.00	160,000.00		-	-
Interest on Bonds	-	-			-	
Interest on Notes	48,720.00	48,720.00	48,716.23		(0.00)	3.77
Green Trust Loan Program						
ACIA Capital Lease Payment	175,710.56	175,710.56	175,710.56		-	
Total Debt Service	384,430.56	384,430.56	384,426.79	-	(0.00)	3.77
(E) Deferred Charges						
Special Emergency Authorizations - 5 years		-			-	-
Total Deferred Charges	-	-	-	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	1,619,659.35	1,680,224.96	1,532,881.88	45,418.82	101,920.49	3.77
SUBTOTAL GENERAL APPROPRIATIONS	7,198,762.32	7,259,327.93	6,643,501.00	255,043.51	360,779.65	3.77
(M) Reserve for Uncollected Taxes	756,620.73	756,620.73	756,620.73			-
TOTAL GENERAL APPRORIATIONS	$ 7,955,383.05	8,015,948.66	7,400,121.73	255,043.51	360,779.65	3.77
Budget		7,955,383.05			Cancelled	3.77
Appropriations by 40A:4-87		60,565.61			Overexpended	-
Emergency Appropriations		-				
		8,015,948.66				3.77
Reserve for Uncollected Taxes			756,620.73			
Federal and State Grants			381,580.40			
Deferred Charges			-			
Disbursements			6,261,920.60			
			7,400,121.73			

The accompanying Notes to Financial Statements are an integral part of this statement

Exhibit B

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,

ASSETS		2025	2024
Dog License Fund:			
Cash	$	110.91	78.11
Due from State of New Jersey		-	-
		110.91	78.11
Other Funds:			
Cash - Treasurer		519,027.62	472,600.21
Cash - Collector		369,362.30	253,792.72
Cash - Landfill Closure		93,991.43	93,056.22
Revolving Loans Receivable		370,746.31	388,107.31
Due from Current Fund		562.85	568.48
		1,353,690.51	1,208,124.94
		1,353,801.42	1,208,203.05

LIABILITIES, RESERVES AND FUND BALANCE		2025	2024
Dog License Fund:			
Due to State of New Jersey		4.20	5.40
Reserve for Dog Fund Expenditures		106.71	72.71
		110.91	78.11
Other Funds:			
Due to Current Fund		-	-
Miscellaneous Reserves		1,353,690.51	1,208,124.94
		1,353,690.51	1,208,124.94
	$	1,353,801.42	1,208,203.05

The accompanying Notes to Financial Statements are an integral part of this statement

Exhibit C

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,

		2025	2024
ASSETS			
Cash	$	503,691.54	566,283.88
Deferred Charges to Future Taxation -			
Funded		-	-
Unfunded		889,000.00	1,049,000.00
Interfunds and Receivables			
Due from Current Fund		-	
		1,392,691.54	1,615,283.88
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds		-	-
Bond Anticipation Notes Payable		889,000.00	1,049,000.00
Contracts Payable			43,377.40
Improvement Authorizations:			
Funded		919.55	-
Unfunded		371,965.57	361,565.06
Reserve for Capital Projects		5,000.00	-
Capital Improvement Fund		111,640.60	147,640.60
Fund Balance		14,165.82	13,700.82
	$	1,392,691.54	1,615,283.88

There were bonds and notes authorized but not issued at December 31,

2024	-
2025	-

The accompanying NOtes to Financial Statements are an integral part of this statement

GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,

		2025	2024
Beginning Balance January 1	$	13,700.82	13,700.82
Increased by:			
Premium on Sale of Notes		465.00	-
		465.00	-
Decreased by:			
No Current Year Activity			
		-	-
Ending Balance December 31	$	14,165.82	13,700.82

The accompanying NOtes to Financial Statements are an integral part of this statement

Exhibit G

GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS
AS OF DECEMBER 31,

		2025	2024
General Fixed Assets:			
Land and Buildings	$	2,324,302.90	2,324,302.90
Machinery and Equipment		5,398,922.14	5,436,278.12
Total General Fixed Assets		7,723,225.04	7,760,581.02
Investment in General Fixed Assets	$	7,723,225.04	7,760,581.02

The accompanying Notes to Financial Statements are an integral part of this statement

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Township of Mullica include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township of Mullica, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Board of Education of the Township is a component unit. However, under the regulatory basis of accounting in New Jersey, the component unit is neither blended nor shown in a discrete presentation in the financial statements of the Township. The Board of Education does have an independent audit performed and a copy is available at the Board's offices.

B. Description of Funds

The accounting policies of the Township of Mullica conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Mullica accounts for its financial transactions through the following separate funds:

Current Fund -- resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds -- receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund -- receipt and disbursement of funds for the acquisition of general facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund, accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on cash basis; interest on general capital indebtedness is on cash basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds -- Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

General Fixed Assets -- The Township has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of $5,000 are capitalized.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Township of Mullica to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first $1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of $1,500.00 becoming delinquent after due date and if a delinquency is in excess of $10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten-day grace period.

Capitalization of Interest -- It is the policy of the Township of Mullica to treat interest on projects as a current expense and the interest is included in the current operating budget.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Township's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

F. Recent Accounting Pronouncements Not Yet Effective

In April 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, “Financial Reporting Model Improvements”. This statement is effective for fiscal years beginning after June 15, 2025 and will not have any effect on the Township’s financial reporting.

In September 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 104, “Disclosure of Certain Capital Assets”. This statement is effective for fiscal years beginning after June 15, 2025 and will not have any effect on the Township’s financial reporting.

In December 2025, the Governmental Accounting Standards Board (GASB) issued Statement No. 105, "Subsequent Events." This statement is effective for fiscal years beginning after June 15, 2026 and will not have any effect on the Borough's financial reporting.

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2025 and 2024 statutory budgets included a reserve for uncollected taxes in the amount of $756,620.73 and $742,251.06, respectively. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2025 and 2024 statutory budgets was $1,395,000.00 and $1,101,000.00, respectively.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by the Township Committee. The following significant transfers were noted for 2025 and 2024:

Budget Category	2025	2024
Municipal Clerk		
Salaries and Wages	$ (30,000.00)	
Other Expenses	$ (30,000.00)	
Technology		
Other Expenses		(13,000.00)
Legal Services		
Other Expenses	(20,000.00)	
Engineering Services		
Other Expenses	15,000.00	
Employee Group Insurance		38,900.00
Police		
Salaries and Wages	15,000.00	(50,000.00)
Landfill and Solid Waste Disposal		
Other Expenses	15,000.00	
Vehicle Maintenance		28,000.00
Public Buildings and Grounds		
Other Expenses		
Police and Firemen's Pension Fund		29,700.00
Social Security System	(20,000.00)	

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2025 and 2024, the following significant budget insertions were approved:

Budget Category	2025	2024
Recycling Tonnage Grant	$ 6,928.35	6,888.15
Clean Communities	28,337.26	28,571.24
Click It or Ticket	5,600.00	2,800.00
Federal Bulletproof Vest Partnership		3,132.11
Drive Sober or Get Pulled Over	12,600.00	6,300.00
CARE Grant	2,100.00	
Sustainable NJ	5,000.00	5,000.00
LGRIF		50,000.00
	60,565.61	102,691.50

Note 3: INVESTMENTS

Interest Rate Risk. The municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The types of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The municipality places no limit on the amount the Township can invest in any one issuer.

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2025 and 2024, $729,265.35 and $575,407.64 of the municipality's bank balance of $4,157,199.59 and $4,398,568.37, respectively, was exposed to custodial credit risk.

Note 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2025 and 2024:

	Balance 12/31/2023	Additions	Retirements/ Adjustments	Balance 12/31/2024
Land & Buildings	$ 2,317,420.25	6,882.65		2,324,302.90
Machinery & Equipment	5,496,145.44	145,315.00	205,182.32	5,436,278.12
	$ 7,813,565.69	152,197.65	205,182.32	7,760,581.02

	Balance 12/31/2024	Additions	Retirements	Balance 12/31/2025
Land & Buildings	$ 2,324,302.90			2,324,302.90
Machinery & Equipment	5,436,278.12	88,566.85	125,922.83	5,398,922.14
	$ 7,760,581.02	88,566.85	125,922.83	7,723,225.04

Note 6: SHORT-TERM OBLIGATIONS

	Balance 12/31/24	Issued	Retired	Balance 12/31/25
Bond Anticipation Notes payable:				
General	$ 1,049,000.00		160,000.00	889,000.00
	$ 1,049,000.00	-	160,000.00	889,000.00

	Balance 12/31/23	Issued	Retired	Balance 12/31/24
Bond Anticipation Notes payable:				
General	$ 1,149,000.00		100,000.00	1,049,000.00
	$ 1,149,000.00	-	100,000.00	1,049,000.00

The notes were issued on July 22, 2025,, and are both due and payable on July 21, 2026 with an interest rate of 4.125%. As of December 31, 2025 the Township has authorized but not issued bonds in the amount of $0 in the General Capital Fund.

Note 7: LONG-TERM OBLIGATIONS

Long-term debt as of December 31, 2025 and 2024 consisted of the following:

TOWNSHIP OF MULLICA
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	Balance 12/31/24	Issued	Retired	Balance 12/31/25	Amounts Due Within One Year
Bonds payable:					
General				-	
Total	-	-	-	-	-
Other liabilities:					
PERS Liability	1,191,097.00		186,064.00	1,005,033.00	
PFRS Liability	3,214,436.00	183,398.00		3,397,834.00	
Compensated Absences Payable	116,935.61	225,235.03	163,888.80	178,281.84	-
Total long-term liabilities	$ 4,522,468.61	408,633.03	349,952.80	4,581,148.84	-

	Balance 12/31/23	Issued	Retired	Balance 12/31/24	Amounts Due Within One Year
Bonds payable:					
General	$ 190,000.00		190,000.00	-	
Total	190,000.00	-	190,000.00	-	-
Other liabilities:					
PERS Liability	1,388,988.00		197,891.00	1,191,097.00	
PFRS Liability	3,327,607.00		113,171.00	3,214,436.00	
Compensated Absences Payable	202,545.61	236,570.00	322,180.00	116,935.61	-
Total long-term liabilities	$ 5,109,140.61	236,570.00	823,242.00	4,522,468.61	-

Summary of Municipal Debt	Year 2025	Year 2024	Year 2023
Issued:			
General - Bonds and Notes	$ -	$ -	$ 190,000.00
General - Bond Anticipation Notes	889,000.00	1,049,000.00	1,149,000.00
Total Issued	889,000.00	1,049,000.00	1,339,000.00
Authorized but not issued:			
General - Bonds and Notes	-	-	-
Total Authorized But Not Issued	-	-	-
Total Bonds & Notes Issued and Authorized But Not Issued	$ 889,000.00	$ 1,049,000.00	1,339,000.00

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .119%

	Gross Debt	Deductions	Net Debt
Local School District Debt	$ 2,525,000.00	2,525,000.00	-
Regional School District Debt	6,658,338.22	6,658,338.22	-
General Debt	889,000.00	-	889,000.00
	10,072,338.22	9,183,338.22	889,000.00

Net Debt $889,000.00 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, $744,574,886.67 = .119%.

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 1/2 % of Equalized Valuation Basis (Municipal)	$	26,060,121.03
Net Debt		889,000.00
Remaining Borrowing Power	$	25,171,121.03

The Township of Mullica School District, as a K-8 school district, is permitted to borrow up to 3% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the district's limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

Note 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2025 and 2024, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2026 and 2025 were as follows:

	2026	2025
Current Fund	$ 1,100,000	1,395,000

Note 9: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2025, the Township had no deferred charges.

Note 10: SCHOOL TAXES

Local District School Tax in the amounts of $6,319,752.00 and $5,227,667.00 have been raised for the 2025 and 2024 calendar years, respectively and remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Local District School Taxes have been raised and a liability deferred by statute, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	12/31/2025	12/31/2024
Balance of Tax	$ 3,159,887.89	$ 2,613,839.41
Deferred	2,505,000.00	2,505,000.00
Tax Payable	$ 654,887.89	108,839.41

Regional District School Tax in the amounts of $3,784,135.00 and $3,738,306.00 have been raised for the 2025 and 2024 calendar years and remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Regional District School Taxes have been raised resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	12/31/2025	12/31/2024
Balance of Tax	$ 1,892,067.50	$ 1,869,153.00
Deferred	1,869,153.00	1,869,153.00
Tax Payable	$ 22,914.50	-

Note 11: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. The following is a comparison of the liability for the previous two years:

	Balance 12/31/25	Balance 12/31/24
Prepaid Taxes	$ 214,482.22	221,270.81
Cash Liability for Taxes Collected in Advance	$ 214,482.22	221,270.81

Note 12: PENSION FUNDS

Description of Plans

Substantially all of the Township's employees participate in the Public Employees' Retirement System (PERS) cost sharing multiple-employer defined benefit pension plan which has been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at - http://www.state.nj.us/treasury/pensions/annual-reports.shtml.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system.

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA43:15C-1 et seq). DCRP is a cost sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 7.50% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The Township's contributions to PERS for the years ended December 31, 2025, 2024 and 2023 were $101,524.53, $100,546 and $103,853, respectively.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The Township's contributions to PFRS for the year ended December 31, 2025, 2024 and 2023 were $455,137.00, $416,983.37, and $387,288, respectively.

The total payroll for the year ended December 31, 2025 and 2024 was $2,23,857.81 and $2,305,388.78, respectively. Payroll covered by PERS was $488,627.00 and $524,160, respectively. Payroll covered by PFRS was $1,184,642 and $1,143,028.00, respectively.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an $8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing laws that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

Note 13: PENSION LIABILITIES

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the municipality's pension liabilities. However, due to the fact that the municipality reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the municipality's pension liabilities as June 30, 2024:

Public Employees' Retirement System

The Municipality has a liability of $1,005,033 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 that was rolled forward to June 30, 2024. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Municipality's proportion would be 0.00739644930%, which would be a decrease of 10.06% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2025, the Municipality would have recognized pension expense of $6,345. At December 31, 2025, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	$ 20,133.00	(2,676.00)
Changes of assumptions	1,249.00	(11,435.00)
Changes in proportion	52,645.00	(203,146.00)
Net difference between projected and actual earnings on pension plan investments	-	(46,601.00)
Total	$ 74,027.00	(263,858.00)

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

Year ended June 30,	
2025	$ (608,797)
2026	806,921
2027	(232,254)
2028	(163,595)
2029	7,894
Total	$ (189,831)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	2.75% – 6.55% (based on years of service)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disable retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

{This space intentionally left blank}

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US equity	28.00%	8.63%
Non-U.S. developed markets equity	12.75%	8.85%
International small cap equity	1.25%	8.85%
Emerging markets equity	5.50%	10.66%
Private equity	13.00%	12.40%
Real estate	8.00%	10.95%
Real assets	3.00%	8.20%
High yield	4.50%	6.74%
Private credit	8.00%	8.90%
Investment grade credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk mitigation strategies	3.00%	7.10%

Discount Rate

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

Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	$ 1,222,719	1,005,033	819,953

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Police and Firemen's Retirement System

The Municipality has a liability of $3,397,834 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2023 that was rolled forward to June 30, 2024. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Municipality's proportion would be .03290370%, which would be an increase of 13.10% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2025, the Municipality would have recognized pension expense of $377,837 At December 31, 2024, the Municipality would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	$	214,061.00	(116,323.00)
Changes of assumptions		5,371.00	(99,789.00)
Changes in proportion		549,116.00	(60,399.00)
Net difference between projected and actual earnings on pension plan investments		-	(26,594.00)
Total	$	768,548.00	(303,105.00)

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

Year ended June 30,		
2025	$	(7,215,817)
2026		9,128,618
2027		(1,857,666)
2028		(681,575)
2029		1,007,768
Thereafter		84,117
Total	$	465,443

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate

Price	2.75%
Wage	3.25%

Salary increases:	3.25% - 16.25% (based on years of service)
Investment rate of return:	7.00%

Employee mortality rates were based on the Pub-2010 Safety Employee mortality table (sex specific), projected generationally from 2010 with scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex specific), projected generationally from 2010 with scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Retiree Below Median amount-weighted mortality table for males and 100% of the Pub-2010 Safety Retiree Below Median amount-weighted mortality table for females, projected generationally from 2010 with scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large-Cap Equity	24.00%	6.90%
U.S. Small/Mid -Cap Equity	4.00%	7.40%
Non - U.S. Developed Large-Cap Equity	9.50%	6.70%
Non - U.S. Developed Small-Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%

Discount Rate

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

Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

		1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipality's proportionate share of the net pension liability	$	4,625,598.39	3,397,834.00	2,375,254.12

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2024 State special funding situation net pension liability amount of $2,035,866,994 is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2024 State special funding situation pension expense of $234,210,000 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2024. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2024, the State contributed an amount more than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Municipality was 0.03290370% for 2024. The net pension liability amount allocated to the Municipality was $669,876. For the fiscal year ending June 30, 2024 State special funding situation pension expense of $70,64 is allocated to the Municipality.

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PFRS financial report.

Note 14: OTHER POST-RETIREMENT BENEFITS

General Information about the Plan:

The Municipality offers Other Post-Retirement Benefits (OPEB) to its employees through the State Health Benefit Local Government Retired Employees Plan (the Plan) a cost-sharing multiple employer defined benefit other postemployment benefit plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at:

https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of post retirement medical coverage for employees and their dependents who:

1) retired on a disability pension;

or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;

or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer;

or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L, 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Allocation Methodology:

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense, however under the Regulatory Basis of Accounting followed by the Municipality these amounts are not accrued or recorded in the financial statements and the information listed in this note is for disclosure purposes only. Statewide across all member employers, the special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the Collective Total OPEB liabilities for the year ended June 30, 2024 were $4,833,833,875 and $12,914,432,673, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's non special funding situation during the measurement period July 1, 2023 through June 30, 2024. Employer and non-employer allocation percentages have been rounded for presentation purposes.

Net OPEB Liability:

Components of Net OPEB Liability

The components of the collective net OPEB liability of the participating employers in the Plan as of June 30, 2024 is as follows:

	June 30, 2024	
	Collective Total	**Proportionate Share**
Total OPEB Liability	$ 17,748,257,548	8,778,765
Plan Fiduciary Net Position (Deficit)	(157,187,957)	(77,747)
Net OPEB Liability	$ 17,905,445,505	8,856,512
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.89%	-0.89%

At June 30, 2024 the Municipality's proportionate share of the Collective Net OPEB Liability was $8,856,212. The Municipality's proportion of the Collective Net OPEB Liability was .049461% which was a decrease from the prior year of 1.91%.

Municipality's Proportionate Share of Collective Net OPEB Liability	$ 8,856,212
State's proportionate share that is associated with the Municipality	-
Total	$ 8,856,212

For the Year ended June 30, 2024 the Municipality's Total OPEB Expense/(Benefit) was $75,218.

The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Salary increases*:

PERS	
Rate for all future years	2.75% to 6.55% based on years of service
PFRS	
Rate for all future years	3.25% to 16.25% based on years of service

* Salary increases are based on years of service within their respective plan.

Pre-Retirement Healthy Mortality:

PERS: Pub-2010 “General” classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021.

PFRS: Pub-2010 “Safety” classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

Post-Retirement Healthy Mortality

Chapter 330 Retirees: PUB-2010 “Safety” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Other Retirees: PUB-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disable Retiree Mortality:

PERS Future Disabled Retirees: PUB-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

PFRS Future Disabled Retirees: PUB-2010 “Safety” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Chapter 330 Current Retirees: PUB-2010 “Safety” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Other Current Retirees: PUB-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.5% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2024 was 3.93%. The discount rate will change each year based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB liability as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the Net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

		1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Collective Net OPEB Liability	$	20,857,914,273	17,905,445,505	15,540,780,410
Proportionate Share Net OPEB Liability	$	10,316,533	8,856,212	7,686,625

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the net OPEB liability as of June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

		1% Decrease	Healthcare cost Trend Rate	1% Increase
Collective Net OPEB Liability	$	15,144,352,142	17,905,445,505	21,455,435,620
Proportionate Share Net OPEB Liability	$	7,490,548	8,856,212	10,612,073

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the State reported deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB from the following sources:

		Collective Totals		Proportionate Share	
		Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	906,784,304	(3,033,798,337)	448,505	(1,500,547)
Changes of assumptions		2,993,451,517	(2,972,190,924)	1,480,591	(1,470,075)
Net difference between projected and actual earnings on OPEB plan investments		-	(8,105,194)	-	(4,009)
Changes in proportion and differences between contributions and proportionate share of contributions		-		2,025,830	(438,772)
Total	$	3,900,235,821	(6,014,094,455)	3,954,926	(3,413,403)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired employees' OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,		Collective Totals	Proportionate Share
2025	$	(1,123,975,872.00)	287,937.32
2026		(483,903,543.00)	123,965.20
2027		(83,156,324.00)	21,302.78
2028		(443,334,965.00)	113,572.44
2029		(282,447,899.00)	72,356.79
Thereafter		302,959,969.00	(77,611.52)
Total	$	(2,113,858,634.00)	541,523.00

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

Collective OPEB Expenses reported by the State of New Jersey

The components of allocable OPEB Expense (Benefit) related to specific liabilities of individual employers for the year ending June 30, 2023 are as follows:

Service cost	$	545,086,159
Interest on Total OPEB Liability		554,448,470
Expected Investment Return		5,026,265
Administrative Expenses		11,119,284
Changes of Benefit Terms		107,670,542
Current Period Recognition (Amortization) of Deferred Inflows/ Outflows of Resources:		
Differences between Expected and Actual Experience		(847,755,885)
Changes in Assumptions		(583,228,782)
Differences between Projected and Actual Investment Earnings on OPEB Plan Investments		(1,033,536)
Total Collective OPEB Expense	$	(208,667,483)

Schedule of Municipality's Share of Net OPEB Liability

	2024	2023	2022	2021
Municpality's Proportionate Share of Net OPEB Liability	$ 0.0494610%	0.0504260%	0.0423510%	0.0400130%
Municipality's Share of Net OPEB Liability	8,856,212	7,567,198	6,839,515	7,202,252
Municipality's Covered Payroll	2,223,858	2,305,389	2,213,323	2,134,250
Municipality's Proportionate Share of the Net OPEB Liability as a percentage of its Covered-Employee Payroll	398.24%	328.24%	309.02%	337.46%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.89%	-0.79%	-0.36%	0.28%

Note 15: ECONOMIC DEPENDENCY

The Township of Mullica is not economically dependent on any one business or industry as a major source of tax revenue for the Township.

Note 16: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The Township maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2025 and 2024 the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Township is a member of the Atlantic County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The Township is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The Township has a general liability limit of $100,000 under JIF, which increases to $10,000,000 under MEL.

Note 17: DEFERRED COMPENSATION

Employees of the Township of Mullica may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the Township. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the Township has an obligation of due care in selecting the third-party administrator. In the opinion of the Township's legal counsel, the Township has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

Note 18: CONTINGENT LIABILITIES

From time to time, the Township is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the Township's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

Note 19: INTERFUND BALANCES

During the most current calendar year ended December 31, 2025, the following interfunds were included on the balance sheets of the various funds of the Township of Mullica:

	Due From	Due To
Current Fund:		
Grant Fund	$ 44,779.06	
Trust - Other		562.85
Grant Fund:		
Current Fund		44,779.06
Trust Fund		
Current Fund	562.85	-
	$ 45,341.91	45,341.91

The interfunds occurred due to the fact that several of the grants received by Township are reimbursed after the funds have been expended.

Note 20: LEASE OBLIGATIONS

Operating Leases

In September 2023, the Township entered into an agreement to lease a postage machine under an operating lease. The term for the lease is 63 months and it will expire in December 2028. The total monthly payment for the lease is $144.95.

The total operating lease payments in 2025 was $1,739.40.

In May 2023, the Township entered into an agreement with Tax Exempt Leasing Corp for police vehicles. The term for the lease is 3 years. The total annual payment is $38,202.51.

In April 2024, the Township entered into an agreement with Tax Exempt Leasing Corp for police vehicles. The term for the lease is 3 years. The total annual payment $23,151.39.

In June 2025, the Township entered into an agreement with Tax Exempt Leasing Corp for police vehicles. The term for the lease is 3 years. The total annual payment is $26,661.04.

The following is a schedule of the future minimum lease payments under these leases and the net minimum lease payments at December 31, 2025.

	Postage Machine	Police Vehicles
2026	$ 1,739.40	88,014.94
2027	1,739.40	49,812.43
2028	1,739.40	26,661.04
Total	$ 5,218.20	164,488.41

Note 21: SUBSEQUENT EVENTS

The Township has evaluated subsequent events through April 17, 2026, the date which the financial statements were available to be issued and identified no events requiring disclosure.

APPENDIX C

Principal Documents

[THIS PAGE INTENTIONALLY LEFT BLANK]

LEASE PURCHASE AGREEMENT

by and between

THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY

and the

TOWNSHIP OF MULLICA, IN THE COUNTY OF ATLANTIC, NEW JERSEY

Dated as of August 1, 2024

TABLE OF CONTENTS

THIS LEASE PURCHASE AGREEMENT, dated as of August 1, 2024, is by and between The Atlantic County Improvement Authority (the "**Authority**") and the Township of Mullica, in the County of Atlantic, New Jersey (the "**Township**" and, together with the Authority, the "**Parties**") (together with any amendments hereof or supplements hereto this "**Agreement**" or this "**Lease Purchase Agreement**").

WITNESSETH

WHEREAS, the Authority, a public body corporate and politic constituting an instrumentality of the State of New Jersey (the "**State**") established and created under the provisions of the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State and the acts amendatory thereof and supplemental thereto (the "**Act**"), is authorized pursuant to the terms of the Act to provide public facilities, as such term is defined therein, within the County of Atlantic, New Jersey (the "**County**"), including financing for the construction of same; and

WHEREAS, the Township desires to construct a new municipal building/police department complex (the "**Project**" and together with the hereinafter defined Property, the "**Facility**") on real property owned by the Township, located at 4528 White Horse Pike, Elwood, New Jersey 08217 (the "**Property**"); and

WHEREAS, the Township has requested the Authority's assistance in financing the Project as described herein; and

WHEREAS, the Project constitutes a "public facility" as such term is defined in the Act; and

WHEREAS, the Authority has agreed to finance the Project on behalf of the Township through the issuance of bonds, and any notes issued in anticipation thereof, and shall, in connection therewith, lease the Property from the Township and simultaneously lease the Property back to the Township pursuant to a lease purchase agreement; and

WHEREAS, in order to finance the Project, the Authority will issue notes in an aggregate principal amount of $4,405,000, to be designated as "Township Secured Lease Revenue Project Notes, Series 2024 (Township of Mullica Project)" (including any Additional Bonds, as defined herein, the "**Bonds**") pursuant to a resolution of the Authority entitled "Resolution Authorizing the Issuance of Lease Revenue Bonds, Series 2022 (Township of Mullica Project), of The Atlantic County Improvement Authority and Determining Other Matters Related Thereto" (together with any amendments thereof or supplements thereto in accordance with the terms thereof, the "**Bond Resolution**"); and

WHEREAS, the Authority will use proceeds from the sale and issuance of the Bonds to, among other things, finance the Project, and simultaneously therewith, enter into this Lease Purchase Agreement, pursuant to which the Authority hereby leases the Facility to the Township for its use (the transactions contemplated hereinabove shall be referred to as the "**Financing**"); and

WHEREAS, pursuant to the Act, specifically, Section 35 thereof (N.J.S.A. 40:37A-78), the Authority is authorized to enter into and perform any lease or other agreement, including this Lease Purchase Agreement, with the Township for the lease to or use by the Township of all or any part of any public facility, including the Project, on any terms and conditions which may be agreed upon by the Township and the Authority; and

WHEREAS, in accordance with Section 13 of the Act (N.J.S.A. 40:37A-56), prior to the financing of the Project, the Authority has made a detailed report to the Board of County Commissioners, which report included, without limitation, the Bond Resolution adopted by the Authority, the Bonds and this Lease Purchase Agreement (collectively, the "**Financing Documents**"); and

WHEREAS, the Bonds shall be secured by valid and binding general obligation lease payments of the Township under this Lease Purchase Agreement, in scheduled lease payment amounts sufficient to pay, in a timely manner, the principal and redemption premium, if any, of and interest on the Bonds; and

WHEREAS, the Authority has agreed to finance the Project on behalf of the Township through the issuance of the Bonds and shall, in connection therewith, acquire a leasehold interest in the Facility and simultaneously lease the Facility to the Township pursuant to this Lease Purchase Agreement; and

WHEREAS, the Parties intend to enter into such additional agreements, including but not limited to a Project Management Agreement (defined herein) or similar agreement (the "**Supplemental Agreements**") as may be necessary to effectuate the intent of this Lease Purchase Agreement and to complete and deliver the Project; and

WHEREAS, the Lease Purchase Agreement and the Supplemental Agreements have been authorized by Ordinance #4 adopted by the Township on May 22, 2022.

NOW, THEREFORE, the parties hereto mutually agree as follows:

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

SECTION 1.1. Definitions. The terms which are set forth in this Section or defined in the recitals hereto shall, unless the context clearly requires otherwise, have the meanings which are set forth below. Words which are used as defined terms herein but which are not defined herein shall have the meanings which are assigned to such terms in the Bond Resolution. Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

"Additional Bonds" shall mean any Series of Bonds, other than the initial Bonds, which may be issued under the provisions of the Bond Resolution;

"Additional Rent" shall mean that portion of the Rentals which are required to be made by the Township pursuant to the provisions of Section 5.1(b) hereof;

"Administrative Expenses" shall mean any and all expenses incurred by the Authority in carrying out its duties under the terms of this Agreement or the Bond Resolution, including, without limitation, accounting, administrative, financial advisory and legal expenses and the fees and expenses of the Trustee (as defined herein), any paying agents or any other fiduciaries or agents acting under the provisions of this Agreement or the Bond Resolution;

"Authorized Township Representative" shall mean the Mayor, Business Administrator or the Chief Financial Officer or any other person or persons who shall be authorized to act on behalf of the Township by written certificate, duly executed on behalf of the Township by the Mayor of the Township, which sets forth the specimen signatures of each such person;

"Authorized Authority Representative" shall mean the Chairman, Vice Chairman or Executive Director of the Authority and any other person or persons who shall be authorized to act on behalf of the Authority by virtue of a written certificate, duly executed on behalf of the Authority by the Chairman or Executive Director of the Authority, which sets forth the specimen signatures of each such person;

"Basic Rent" shall mean that portion of the Rentals which are required to be made by the Township pursuant to the provisions of Section 5.1(a) hereof;

"Bond Reserve Credit Facility" shall have the meaning which is assigned to such term in the Bond Resolution;

"Bond Reserve Fund" shall mean the fund so designated that has been established and created by the Authority pursuant to the terms of the Bond Resolution;

"Bond Reserve Requirement" shall have the meaning which is assigned to such term in the Bond Resolution;

"Bond Service Fund" shall have the meaning which is assigned to such term in the Bond Resolution;

"Business Day" shall mean any Monday, Tuesday, Wednesday, Thursday or Friday, which is not a day on which either state or federally chartered banking institutions in the City of New York or the State of New Jersey are authorized or obligated by law or executive order to close;

"Cost" shall have the meaning given to it in the Act;

"County" shall mean the County of Atlantic, State of New Jersey;

"Damage" shall mean any damage to the Project which shall not include demolition work included as part of the Project.

"Destruction" shall mean any destruction to the Project which shall not include demolition work included as part of the Project.

"Debt Service" for any period shall mean, as of any date of calculation and with respect to all Series of Bonds which may be issued, an amount which is equal to the sum of amounts accruing during such period on the Bonds pursuant to Section 5.1 hereof;

"Event of Default" shall mean the "defaults" or "events of default" set forth in Section 8.1 of this Agreement;

"Facility Lease Term" shall mean the duration of the leasehold estate created with respect to the Facility, as specified in Section 3.2 hereof;

"Permitted Encumbrances" shall mean and include:

(a) undetermined liens and charges which are incidental to construction or maintenance, now or hereafter filed on record which are being contested in good faith and which have not proceeded to judgment;

(b) minor defects and irregularities in the title to the Facility which do not in the aggregate materially impair the use of the Facility for the purposes for which it is intended;

(c) easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines, gas lines and substations, roads, streets, ingress/egress, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, Facility and equipment, or any other purposes which do not materially impair the use of such property for the purposes for which it is or may reasonably be expected to be held;

(d) any assignment, sublease or encumbrance permitted by Section 7.7 hereof; and

(e) this Agreement and the Bond Resolution, if applicable;

"Person" or "Persons" shall mean any individual, corporation, partnership, joint venture, trust or unincorporated organization or a governmental agency or any political subdivision thereof.

"Plans and Specifications" shall mean the plans and specifications for the Facility improvements heretofore prepared by or on behalf of the Authority, and approved by the Township, as the same may be amended from time to time;

"Rentals" shall mean the sum of Basic Rent and Additional Rent, set forth in Section 5.1 hereof, which is payable by the Township in connection with the lease of the Facility;

"Rental Payment Date" shall mean any day that is a Business Day that is (i) as set forth in **Exhibit A** attached hereto, or (ii) is a date at least thirty (30) days prior to the next principal, sinking fund or interest payment date shown in any revised **Exhibit A** attached hereto; and

"Trustee" means the trustee for the Bonds which, upon the issuance of any Bonds, shall be appointed by a supplemental resolution of the Authority pursuant to the terms of Section 1101 of the Bond Resolution, and its successor or successors, and any other corporation or association which may at any time be substituted in its place pursuant to the terms of the Bond Resolution.

ARTICLE II

ACQUISITION OF LEASEHOLD INTEREST

SECTION 2.1. Acquisition of Leasehold Interest in the Property. The Township hereby conveys a leasehold interest in the Property to the Authority, and the Authority hereby agrees to make a one-time payment in the amount of One Dollar ($1.00) for such leasehold interest from the Township, upon the terms and conditions which are set forth in this Agreement for the purpose of constructing, equipping, furnishing and/or improving the Project.

SECTION 2.2. Title to Property. The Township represents as of the date hereof and as of the date of the closing for the Bonds that the Township has good and marketable title to the Property, free and clear of all liens, charges and encumbrances, except for Permitted Encumbrances. Such title shall be evidenced by a title search to be conducted by or on behalf of the Township, or such other evidence satisfactory to the Authority, and delivered to the Authority prior to the execution of this Agreement. The Township further represents as of the date hereof and as of the date of the closing for the Bonds that it has sole possession of the Property; has not signed any contracts to sell the Property; and has not given anyone else any rights concerning the purchase or lease of the Property. The Township will take any and all action required to defend title in the event that such title is challenged, and, where necessary, will take all action necessary or required to obtain good and marketable title to the Property, free and clear of all liens, charges and encumbrances, except for Permitted Encumbrances.

ARTICLE III

PROVISIONS RELATING TO LEASE OF FACILITY

SECTION 3.1. Lease of Facility. Upon the acquisition of its leasehold interest in the Property and the completion of construction of the Project thereon, the Authority shall lease the Facility back to the Township. The Township hereby agrees to take and lease the Facility from the Authority, subject to the terms of this Agreement.

SECTION 3.2. Duration of Facility Lease Term. The Facility Lease Term shall commence on the date hereof and shall terminate when repayment is made by the Township in accordance with **Exhibit A** hereto, unless the Agreement is sooner terminated in accordance with its terms for a reason other than the default of the Township of any obligation hereunder, in which case, the Facility Lease Term shall terminate on the date the Agreement is so terminated.

Termination shall occur when all such Bonds are no longer deemed Outstanding, unless the Agreement is sooner terminated in accordance with its terms for a reason other than the default of the Township of any obligation hereunder, in which case, the Facility Lease Term shall terminate on the date the Agreement is so terminated.

ARTICLE IV

CONSTRUCTION OF PROJECT AND ISSUANCE OF BONDS

SECTION 4.1. Construction of Project. The Township and the Authority agree to prepare or have prepared any documents, agreements, approvals, Plans and Specifications, if necessary, for the construction, demolition, renovation, furnishing and equipping of the Project. The Township and the Authority agree to cooperate so that such construction, demolition, renovation, furnishing and equipping to be completed as soon as may be practicable, but if for any reasons such construction, demolition, renovation, furnishing and equipping is delayed there shall be no diminution in or postponement of the amounts which are due and payable by the Township under the terms of this Lease Purchase Agreement.

The Township and Authority shall enter into a shared services agreement in which the Authority shall provide construction management services to the Township with respect to the Project (the "**Project Management Agreement**"). Terms regarding the construction of the Project and the obligations of the Township and the Authority pertaining thereto, shall be set forth in the Project Management Agreement.

Contracts in connection with the construction, demolition, renovation, furnishing and equipping of the Project shall be let in accordance with the Project Management Agreement and applicable law and customary practices. All such contracts shall be in the same general form and content as construction contracts which are ordinarily let by the Authority in its other projects. The Township and the Authority agree that they shall require each contractor engaged in the construction, demolition, renovation, furnishing and equipping of the Project to provide a performance bond, in an amount which is at least equal to its contract and also a payment bond, in an amount which is not less than 100% of its contract price, as security for the payment of all persons performing labor or furnishing materials in connection with such contract.

Except as otherwise set forth in the Project Management Agreement, the Authority makes no warranties or representations and accepts no liabilities or responsibilities with respect to the adequacy, sufficiency or suitability of or defects in or with respect to the construction, demolition, renovation, furnishing or equipping of the Project, except as shall be covered under the terms of any performance bonds or insurance policies which are provided by the contractor for the benefit of the Authority and the Township, and in such case, only to the extent of the recovery thereunder.

SECTION 4.2. Issuance of Bonds. In order to provide funds for payment of the Costs of the Project, the Authority will make payment with the proceeds derived from the sale of the Bonds.

If Bonds are ever issued to refinance the Costs of the Project, the Authority, without any further action but with the written consent of the Township, may amend **Exhibit A** hereto to revise the Basic Rent Payments in an amount necessary to pay the principal of, redemption price if any, and interest on any Outstanding Bonds and the Township shall consent to such amendment of **Exhibit A**. In order to provide funds for payment of the Costs of the Project, the Authority will make its best efforts to sell the Bonds. The proceeds derived from the sale of the Bonds shall be applied to the payment of construction, demolition, renovation, furnishing and equipping of the Project, or in the event the Project is not completed the remaining unexpended proceeds shall be used to pay debt service on the Bonds.

The Authority has, in the Bond Resolution, authorized and directed the Trustee to make payments from the Project Fund to pay Costs of the Project upon receipt by the Authority and the Trustee of a requisition in the form set forth in **Exhibit B** attached hereto signed by an Authorized Authority Representative and, reviewed by an Authorized Township Representative, which requisition shall certify with respect to each payment to be made: (i) the requisition number, (ii) the name and address of the Person, firm, corporation or agency to whom payment is due or has been made, (iii) the amount to be paid, (iv) the Costs of the Project to which the requisition relates, (v) that the Costs have been incurred for the Project by the Authority and/or Township, and are proper charges against the Project Fund, are proper Costs of the Project for which the Project Fund was established and such Costs have not been previously paid, (vi) that the Township and the Authority have not received or been served with a notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys which are payable pursuant to such requisition to any of the Persons, firms or corporations named in such requisition, or if any such lien, attachment or claim has been filed with or served upon the Authority and/or Township, that such lien, attachment or claim has been released or discharged, and (vii) that such requisition contains no item which represents payment on account of any retained percentages which the Authority and/or Township is at the date of such certificate entitled to retain.

SECTION 4.3. Completion Date. The completion date of the construction, demolition, renovation, furnishing and equipping of the Project shall be evidenced to the Trustee by a certificate of an Authorized Authority Representative, as reviewed and acknowledged by an Authorized Township Representative, stating that such construction, demolition, renovation, furnishing and equipping has been completed, substantially in accordance with the Plans and Specifications, and that payment of the Costs or adequate provision therefor, has been made as set forth in **Exhibit C** hereto. Notwithstanding the foregoing, the certificate referred to in this Section 4.3 shall state that it is given without prejudice to any rights against third parties which exist as of the date of such certificate or which may subsequently come into being. If, upon the completion of the construction, demolition, renovation, furnishing and equipping of the Project, there shall be any surplus funds remaining which are not required to provide for the payment of the Costs of the Project, or otherwise required to be deposited in the several funds created under the Bond Resolution, such funds may be applied to any capital project designated by the Township and approved by the Authority for which proceeds of the Bonds may lawfully be expended or may be applied to paying the principal component of Basic Rent. In no event shall such surplus funds be applied in a manner that causes the Bonds to become "arbitrage bonds"

under section 148 of the Internal Revenue Code of 1986 as amended from time to time, and the Treasury regulations in effect thereunder.

SECTION 4.4. Additional Bonds. Upon written request from the Township to the Authority to issue Additional Bonds pursuant to Article III of the Bond Resolution, the Authority shall use its best efforts to issue such Additional Bonds for such purpose. Notwithstanding anything to the contrary, the failure of the Authority to issue Additional Bonds shall not release the Township from any of its obligations under the terms of this Agreement.

ARTICLE V

RENTALS AND OTHER PAYMENTS

SECTION 5.1. Payment of Rentals in Connection with Lease of Facility. (a) (i) Throughout the Facility Lease Term, the Township shall pay to the Authority, in immediately available funds, on each Rental Payment Date, the amounts as set forth in **Exhibit A** hereto. **IF BONDS ARE EVER ISSUED TO REFINANCE THE COSTS OF THE PROJECT, THE AUTHORITY, WITHOUT FURTHER ACTION BUT WITH THE CONSENT OF THE TOWNSHIP, MAY AMEND EXHIBIT A HERETO TO REVISE THE BASIC RENT PAYMENTS IN AN AMOUNT NECESSARY TO PAY THE PRINCIPAL OF, REDEMPTION PRICE IF ANY, AND INTEREST ON ANY OUTSTANDING BONDS AND THE TOWNSHIP SHALL CONSENT TO SUCH AMENDMENT OF EXHIBIT A. BASIC AND ADDITIONAL RENT SHALL BE DUE AND PAYABLE FROM THE TOWNSHIP REGARDLESS OF WHETHER THE TOWNSHIP ACQUIRES THE FACILITY, UNLESS SUCH BASIC AND ADDITIONAL RENT IS WAIVED BY THE AUTHORITY.**

(ii) The Township shall have the option to make prepayments from time to time in part payment of Basic Rent. The application of such prepayments shall be specified in writing by a certificate duly executed by an Authorized Township Representative at the time of making such prepayment and such certificate shall be delivered to the Authority. The Authorized Authority Representative shall approve the application of such prepayment by the Township and, if necessary, deliver the Township's certificate to the Trustee. If the Authorized Authority Representative does not approve of the proposed application of such prepayment, the Authorized Authority Representative shall specify the application of such prepayments in writing and, if necessary, deliver a certificate to the Trustee. If Bonds are ever issued to refinance the Costs of the Project, the Trustee shall apply any such prepayments to the payment of the principal of, redemption premium, if any, and interest on the Bonds, if such prepayment is to be used for such purpose, in accordance with the provisions of the Bond Resolution.

(iii) In the event that any such partial prepayment is applied by the Trustee to the purchase or redemption of Bonds pursuant to the provisions of the Bond Resolution, the Township shall be entitled to a credit for the principal amount (together with the amount of interest due on the Bonds purchased) of such Bonds so purchased, redeemed or cancelled against the amount or amounts which are due and payable under the provisions of (a)(i) of this Section 5.1., to the extent that such principal amount of Bonds is similarly credited pursuant to the Bond Resolution against payments which are required to be made by the Authority.

(b) The Township shall pay to the Authority from time to time during the Facility Lease Term, Additional Rent for the Facility equal to any other amounts due and owing to the Authority or the Trustee, either pursuant to the Bond Resolution as applicable below or otherwise, and reasonable and documented administrative expenses of the Authority incurred in the administration of this Agreement, including, but not limited to the following:

(i) All reasonable fees, charges and expenses, including agent and counsel fees, of the Trustee and any fiduciary incurred under the Bond Resolution, as may be supplemented and amended from time to time, as and when the same become due;

(ii) All reasonable costs incident to the payment of the principal of, redemption premium, if any, and interest with respect to the Bonds as the same become due and payable, including all costs and expenses in connection with the call, prepayment and payment of such Bonds;

(iii) All expenses incurred in connection with the enforcement of any rights under this Agreement or the Bond Resolution, if applicable, as may be supplemented and amended from time to time, by the Authority or the Trustee;

(iv) An annual fee payable to the Authority on the date of the issuance of each series of Bonds, and each year on the anniversary thereof, in the amount equal to one-eighth (1/8) of one percent (1%) of the amount of the principal amount of Outstanding Bonds;

(v) Any cost to or liability of any fiduciary resulting from claims arising hereunder or under the Bond Resolution or in connection with the transactions contemplated herein or arising from the conduct or management of, or from anything done on, the Facility, during the Facility Lease Term, and from any condition of the Facility caused by the Township, any default by the Township hereunder, and any negligence by the Township, its agents, employees, subcontractors or licensees;

(vi) If at any time amounts are required to be withdrawn from the Bond Reserve Fund such that the balance in Bond Reserve Fund is insufficient to meet the Bond Reserve Requirement, such sum to be paid into the Bond Reserve Fund as shall be necessary to make such balance in the Bond Reserve Fund sufficient to meet the Bond Reserve Requirement;

(vii) All reasonable fees, charges and expenses of any professionals or consultants performing services on behalf of the Authority in connection with the administration of, or resulting from the Authority's entering into, this Agreement, including, but not limited to, any auditing, legal, engineering, accounting, insurance, fiduciary and any other services incurred in connection herewith; and

(viii) All other payments of whatever nature which the Township has agreed to pay or assume under the provisions of this Agreement, including, but not limited to, indemnification under Section 5.2 hereof.

Any Rentals which are required to be paid pursuant to the terms of this Section 5.1 which are not paid by or on behalf of the Township on or before the due date thereof shall, from and after said due date, bear interest (to the extent permitted by law) at the highest rate of interest borne by any Outstanding Bonds of the Authority until paid, time being of the essence with respect to this obligation.

SECTION 5.2. Indemnification of Authority and Trustee.

(a) Both during the Facility Lease Term and thereafter, and except as otherwise provided in the Project Management Agreement as it pertains to the Authority only, the Township shall indemnify and hold the Authority and the Trustee harmless against, and the Township shall pay any and all, liability, loss, cost, damage, claims, judgments or expenses, of any and all kinds or nature and however arising, imposed by law, which the Authority or the Trustee may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death, or damage to property, whether real, personal or both, or upon or arising out of contracts entered into by the Township or the Authority or arising out of the Authority's leasehold interest in the Facility or the leasing thereof to the Township, or out of the construction, demolition, renovation, furnishing, equipping and installation or maintenance of the Project pursuant to the terms of this Agreement, provided however, that the Township shall not be required to indemnify and hold harmless the Authority or the Trustee for any claim as set forth herein caused solely by the Authority's or the Trustee's gross negligence or willful misconduct arising out of or as a result of any such party performing its obligations hereunder or undertaking any transaction contemplated hereby. It is mutually agreed by the Township and the Authority that after commencement of the Facility Lease Term, as provided in Section 3.2 hereof, and except as otherwise provided in the Project Management Agreement as it pertains to the Authority only, neither the Authority, the Trustee nor their respective members, commissioners, officers, agents, servants or employees shall be liable in any event for any action performed under this Agreement and that the Township shall save the Authority and the Trustee harmless from any claim or suit of whatever nature.

(b) In accordance with Section 5.2(a) herein, the Township, at its own cost and expense, shall defend any and all such claims, suits and actions which may be brought or asserted against the Authority or the Trustee, their respective members, commissioners, officers, agents, servants or employees; but this provision shall not be deemed to relieve any insurance company or the Atlantic County Municipal Joint Insurance Fund which has issued a policy of insurance of its obligation to defend the Township, the Authority, the Trustee and any other insured party who is named in such policy of insurance in connection with claims, suits or actions covered by such policy. Any one or more of the Authority or the Trustee, their respective members, commissioners, officers, agents, servants or employees, may employ separate counsel at the Township's expense in any such action and participate in the defense thereof, if the original counsel provided in the first sentence hereof to defend such persons is conflicted from representing such persons.

(c) The Authority hereby agrees as follows:

(i) The Authority and/or the Trustee shall give the Authorized Township Representatives prompt notice, in writing, of the filing of each such claim and the institution of each such suit or action with respect to the Facility;

(ii) The Authority and/or the Trustee shall not, without the prior written consent of the Township, adjust, settle or compromise any such claim, suit or action with respect to the Facility; and

(iii) The Authority and/or the Trustee shall permit the Township to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action.

SECTION 5.3. Nature of Obligations of the Township. The obligation of the Township to pay all Rentals and to pay all other amounts which are provided for in this Agreement and to perform its obligations under this Agreement shall be absolute and unconditional and if not paid from other sources, such Rentals and other amounts payable hereunder shall be payable from tax revenue collected pursuant to the unlimited *ad valorem* taxing power of the Township. Such Rentals and other amounts shall be payable without any rights of set-off, recoupment or counterclaim it might have against the Authority, the Trustee if applicable, or any other person and whether or not the Facility is used by the Township or available for use by the Township, and whether or not the Facility is acquired by the Authority and, without limiting the generality of the foregoing, notwithstanding any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration or frustration of purpose. If the Township is not in default under the terms of this Agreement and if the Township shall have paid all amounts which are required to be paid under the terms of this Agreement and shall have performed all of its obligations under this Agreement as provided in the preceding sentence and if the Township continues to pay and perform, the Township shall not be precluded from bringing any action it may otherwise have against the Authority.

The Township will not terminate this Agreement (other than such termination as is provided for hereunder) for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title, or frustration of purpose, or any Damage to or Destruction of the Facility, or the taking by eminent domain of title to or the right of temporary use of all or any part of the Facility, or the failure of the Authority to perform and observe any agreement or covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement.

The Township agrees that its obligations hereunder to repay the Rentals in accordance with the terms hereof are absolute and unconditional.

The Township shall make the appropriation for the full payment due under the Lease Purchase Agreement for each such Township fiscal year as a specific line item appropriation in each annual budget and an Authorized Township Representative or the Chief Financial Officer of the Township shall certify to the Trustee that such appropriation is included in each such temporary or

annual budget as adopted, and in the case of each annual budget, as filed with the Director of the Division of Local Government Services, New Jersey Department of Community Affairs (the "Division"), and to attach to such certification the extract of said budget reflecting such line item appropriation, such certification to be received by the Trustee within five (5) Business Days of such budget adoption or filing. The Township shall further provide written notice to the Authority, and the Trustee if applicable, of any revision of or transfer from the line item appropriation described above within five (5) Business Days of such revision or transfer.

For purposes of the preceding paragraph, (i) the Township may anticipate the use of any remaining unexpended proceeds, and the receipt of proceeds of an anticipated series of Authority notes or bonds to refund the principal of and/or interest on any maturing note issue, and (ii) it is hereby acknowledged by the Authority and the Township that the Authority's initial fees are paid out of the proceeds of the Bonds, and that the Township shall budget for all Basic Rent payments.

SECTION 5.4. Intentionally Omitted.

SECTION 5.5. Nature of Obligations of the Authority. The cost and expense of the performance by the Authority of any of its obligations under the terms of this Agreement shall be limited to the availability of the proceeds of Bonds which have been issued for such purposes or from other funds which are received by the Authority under the terms of this Agreement or from insurance policies held by or for the benefit of the Authority and which are available for such purposes.

SECTION 5.6. Assignment of Payments by Authority. It is understood that all payments which are received by the Authority from the Township under the terms of this Agreement and all rights of the Authority under this Agreement (except payments and/or rights which are made pursuant to Section 5.1(b)(iv) and (v) and Section 5.2 hereof) are hereby assigned by the Authority to the Trustee pursuant to the terms of the Bond Resolution. Such assignment of payments by the Authority to the Trustee shall impose no duties or responsibilities on the Trustee with respect to the obligations of the Authority under the Bond Resolution or this Agreement.

The Authority agrees to notify the Township by the execution of an appropriate instrument making such assignment to the Trustee, and the Township agrees that, upon receipt of such notification, it will pay to the Trustee at its principal corporate trust office all payments which are due and payable by the Township to the Authority pursuant to the terms of this Agreement (except payments which are required to be made pursuant to Section 5.1(b)(iii) and (iv) and Section 5.2 hereof). Except as provided in this Section, the Authority shall not assign this Agreement or any payments which are required to be made under the terms of this Agreement. Except as provided in Section 8.2 hereof, the Authority shall not sell or otherwise encumber its interest in the Facility.

SECTION 5.7. Option to Prepay or Purchase the Facility.

(a) As long as an Event of Default has not occurred, the Township shall have the option to prepay the Rentals on the Facility and/or purchase all or a portion of the Facility from the Authority at any time during the Facility Lease Term; provided, however, the Authority must first obtain an opinion of bond counsel that the exercise of such option will not adversely affect the rights of Bondholders (as such term is defined in the Bond Resolution).

(b) The Township may exercise its option to prepay or purchase all or a portion of the Facility, as provided above, upon sixty (60) days prior written notice to the Authority and the Trustee. In the event the Township determines to exercise its option to prepay or purchase all or a portion of the Facility, it shall deposit with the Trustee an amount which, when invested, is equal to the amount which is sufficient to pay the principal and redemption premium of and interest on the Bonds allocable to such payments on the first call date, or, if later, to the date on which the Bonds will be called, as provided by the Bond Resolution, as determined by a verification report obtained by a firm nationally recognized to draft such a report and an opinion of Bond Counsel that such Bonds will, upon deposit of such payments, be defeased (the "Purchase Option Price"). Any prepayment or purchase of the Facility by the Township pursuant to the terms of this Section 5.7 shall be made on a date set forth in the notice set forth above, which date shall be at least sixty (60) days following delivery to the Township of such notice.

(c) Upon the exercise by the Township of its option to prepay or purchase all or a portion of the Facility (as evidenced by the deposit with the Trustee of the amount required by Subsection (b) above), neither the Township nor the Authority shall have any further obligation under the terms of this Agreement with respect to the Bonds allocable to such payments. Upon the exercise of the Township's option to prepay or purchase all or a portion of the Facility, the Authority and the Township shall take all necessary actions to authorize, execute and deliver any and all documents which are required to transfer the Authority's interest in the Facility (or such portion thereof) to the Township, if necessary.

SECTION 5.8. Transfer of Interest in Facility. In the event that the Township has made payment of all Rentals, as provided in this Article V, throughout the Facility Lease Term, and no Event of Default shall have occurred and all fees and expenses due under this Agreement have been paid, the leasehold interest of the Authority will be terminated. Such termination shall occur upon receipt by the Authority of notice from the Trustee of receipt by the Trustee of the final Rental payment. In such event, this Agreement shall terminate and all of the rights, duties and obligations of the parties hereto shall cease as of the date of such notice, and the Authority and the Township shall take all necessary actions to authorize, execute and deliver any and all documents which are required to transfer the Authority's interest in the Facility (or such portion thereof) to the Township, if necessary.

ARTICLE VI

OPERATION AND MAINTENANCE; INSURANCE; DAMAGE; DESTRUCTION AND CONDEMNATION

SECTION 6.1. Operation, Maintenance and Repair of Facility. Upon completion of the Project per Section 4.3 herein, during the Facility Lease Term, the Township shall be responsible for, and shall pay all costs of (a) operating the Facility, (b) maintaining the same in good condition, and (c) making all necessary repairs and replacements, interior and exterior, structural and non-structural, as applicable.

SECTION 6.2. Utilities. The Township will pay all charges for water, electricity, light, heat or power, sewage, telephone and other utility service which is, rendered or supplied upon or in connection with the Facility.

SECTION 6.3. Additions, Enlargements and Improvements. The Township shall have the right at any time and from time to time during the Facility Lease Term, at its own cost and expense, to make (in addition to the improvements financed by the Bonds) such other additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of the Facility, as the Township shall deem to be necessary or desirable in connection with the use of the Facility; provided however, that prior to making any such additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of the Facility, the Township shall obtain all necessary permits and approvals relating to same. All such additions, enlargements, improvements, expansions, repairs, reconstruction and restorations when completed shall be of such character as not to reduce or otherwise adversely affect the value of the Facility or the rental value thereof. The cost of any such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid by the Township or discharged so that the Facility shall at all times be free of liens for labor and materials supplied thereto other than Permitted Encumbrances. All additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of the Facility shall be and become a part of the Facility and shall be the property of the Authority during the leasehold term.

In the event that the Township shall so request, the Authority may, and subject to the terms and provisions of the Bond Resolution, make such additions, enlargements, improvements, expansions, repairs, reconstruction or restorations of the Facility as are requested and if necessary may issue Additional Bonds to pay the Cost thereof. The Authority covenants that it will take all reasonable steps to cooperate with the Township in regard to any such additions, enlargements, improvements, repairs or expansions of the Facility.

SECTION 6.4. Additional Rights of Township. The Authority agrees that the Township shall have the right, option and privilege of erecting, installing and maintaining, at its own cost and expense, such equipment in or upon the Facility as may, in the Township's

judgment, be necessary for its purposes. It is further understood and agreed that anything erected or installed under the provisions of this Section shall be and shall remain the personal property of the Township and shall not become part of the Facility, and may be removed, altered or otherwise changed, at or prior to the termination of this Agreement provided that the Facility is returned to its original state.

SECTION 6.5. Insurance. (1) Upon the completion of the Facility and thereafter during the Facility Lease Term, the Township agrees to pay for or provide comprehensive commercial general liability coverage ("**CGL**") which will pay, on behalf of the Authority, all sums which the Authority shall become legally obligated to pay as damages because of bodily injury or death and property damage caused by any occurrence at or in connection with the use of the Facility, and the Authority shall be named as an additional insured for CGL and a loss payee for property coverage. The Trustee shall be named as an additional insured for CGL and a loss payee for property coverage.

Such insurance shall afford protection to the Authority, in the minimum amount of $1,000,000 liability for any one person and $3,000,000 liability for any one occurrence for personal injury, and $500,000 liability for any one occurrence for property damage, and such insurance shall protect the Authority against any and all penalties, costs, including attorneys' fees, claims, demands, and causes of action due directly or indirectly to the use, disuse, misuse or interest in the Facility.

(2) Upon the availability of any portion of the Facility for use by the Township and thereafter during the Facility Lease Term, the Township shall obtain and maintain with responsible insurers authorized to do business in the State of New Jersey, or in such other manner as may be required or permitted by law, fire, extended coverage, earthquake and flood insurance on the Facility (including, without limiting the generality of the foregoing, if available on reasonable terms from the United States of America or any agency thereof or corporation organized thereby, war risk coverage), in an amount which is at least equal to the current full insurable replacement value thereof (exclusive of excavations and foundations but inclusive of debris removal costs), as determined by the Township and adjusted, if required, annually with a deductible amount of not more than $100,000; provided however, that earthquake insurance and flood insurance shall be required only if same are available on reasonable terms. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without obtaining the prior written consent thereto of the Authority. All policies evidencing any insurance which is required by the terms of this subparagraph (2) shall be carried in the name of the Township, and shall contain standard loss payee clauses which provide for the net proceeds of such insurance resulting from claims (per casualty) thereunder which are less than $250,000 for loss or damage covered thereby to be made payable directly to the Township and net proceeds from such claims equal to or in excess of $250,000 (per casualty) to be made payable to the Township and the Authority, or to the Trustee.

(3) During the Facility Lease Term, the Township shall obtain and maintain, or cause to be obtained and maintained, with responsible insurers authorized to do business in the State of New Jersey or in such other manner as may be required or permitted by law, insurance for the Project. All such insurance shall be carried for the benefit of the Authority and each policy therefor, or contract thereof, shall contain a loss payable clause providing for the proceeds thereof to be payable to the Township and the Authority or the Trustee, as applicable, and the Rentals which are due from the Township with respect to the Facility pursuant to the provisions of Section 5.1(a) shall be reduced by the amount of the payments made to the Trustee from the proceeds of insurance carried pursuant to the foregoing provisions.

(4) During the Facility Lease Term, the Township shall obtain and maintain with responsible insurers authorized to do business in the State, or in such other manner as may be required or permitted by law, any other insurance which has been agreed to by the Township and the Authority.

(5) All insurance policies which are obtained by or on behalf of the Township or the Authority under the terms of this Agreement shall be open to inspection by the Authority, the Township and the Trustee at all reasonable times. A complete description of all such policies shall be furnished on an annual basis by, or on behalf of, the Township to the Authority and the Trustee, and vice versa and if any change shall be made in any such insurance, a description and notice of such change shall be furnished by, or on behalf of, the Township to the Authority and the Trustee at the time of such change. If a loss deductible for insured property perils or liability is selected and incorporated into the Township's property or liability coverage, it shall be done with approval of the Authority. In such case, the Township shall be responsible for the amount of the deductible that the Authority shall incur from each loss for insured perils or liability.

(6) Notwithstanding any of the foregoing provisions of this Section, the Township shall not be required to obtain or maintain any class or type of insurance required by this Agreement for which it is authorized and able to obtain and maintain an appropriate substitute arrangement under which the Authority and the Trustee would be fully protected from general public liability arising from its leasehold, ownership or other interest in the Facility or under which assurance will be provided that funds will be available to repair, restore, rebuild or replace the Facility upon Damage, loss or Destruction of the Facility, or under which moneys would be available to the Township from a lawful source to pay the Rentals and other payments which are required to be made under the terms of this Agreement in the event of the Damage, loss or Destruction of the Facility. No such arrangement or arrangements shall be substituted by the Township for the insurance required to be obtained and maintained pursuant to the foregoing provisions of this Section, unless and until each such arrangement shall have been approved, in writing, by the Authority, which approval shall not be unreasonably withheld or unduly delayed.

(7) In lieu of separate policies, the Township may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event it shall deposit with the Authority and the Trustee a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Facility.

(8) In the event of failure of the Township to pay any premium or other charge with respect to insurance which it is obligated to procure and maintain pursuant to the terms of this Section 6.5, the Authority may pay such premium and secure and maintain such policy at the cost and expense of the Township.

(9) The Township agrees to hold the Authority harmless for any loss to property resulting from any act of gross negligence that results in a loss or losses which is or which are insured under the Authority's foregoing insurance coverage.

(10) The Trustee shall have no obligation or responsibility to review or determine the adequacy or sufficiency of any insurance required by this Section 6.5 or any provider of such insurance.

SECTION 6.6. Damage or Destruction. The Township agrees to immediately notify the Authority and the Trustee in the case of Damage to or Destruction of the Facility or any portion thereof in an amount exceeding $250,000 resulting from fire or other casualty. In the event that the amount of any such Damage or Destruction does not exceed $250,000, the Township will forthwith repair, reconstruct and restore the Facility to substantially the same condition as existed prior to the event causing such Damage or Destruction and the Township will apply the net proceeds of any insurance relating to such damage received by the Township to the payment or reimbursement of the costs of such repair, reconstruction and restoration.

In the event that the Facility, or any portion thereof, is damaged or destroyed by fire or other casualty and the Damage or Destruction is estimated to exceed $250,000, then the Township shall, within ninety (90) days after such Damage or Destruction, elect one of the following two options by written notice of such election to the Authority and the Trustee, as applicable:

(a) Option A - Repair and Restoration. The Township may elect to repair, reconstruct and restore the Facility. In such event the Township shall proceed forthwith to repair, reconstruct and restore the Facility to substantially the same condition as existed prior to the event causing such Damage or Destruction. As long as the Township is not in default hereunder, any net proceeds of insurance relating to such Damage or Destruction received by the Trustee shall be deposited and used as directed by or on behalf of the Township, together with the proceeds derived from the sale of any Additional Bonds issued by the Authority to finance the Cost of such repair, reconstruction and restoration in the same manner and upon the same conditions as set forth in the Bond Resolution for the payment of the Cost of the Facility. Any proceeds of insurance remaining on hand following the repair and restoration of the Facility shall be applied as a prepayment of rent in accordance with Option B of subparagraph (b) of this Section 6.6.

It is further understood and agreed that in the event that the Township shall elect this Option A, the Township shall complete the repair, reconstruction and restoration of the Facility, whether or not the net proceeds of insurance which are received by the Township are sufficient to pay for the same.

(b) Option B - Prepayment of Rent. Alternatively, the Township may elect to have the net proceeds of insurance payable as a result of such Damage or Destruction applied to the prepayment of Rentals hereunder. In such event the Township shall, in its notice of election to the Authority and the Trustee, direct that such net proceeds, when and as received, be deposited with the Authority or if Bonds are Outstanding, in the Bond Service Fund (if such prepayment will be applied to payment of the principal of, redemption premium, if any, or interest on the Bonds) and applied as a credit against future Rentals which are required to be made by, or on behalf of, the Township. Any remaining net proceeds of insurance after application of same as provided for hereunder shall be paid to the Township.

SECTION 6.7. Condemnation. This Agreement and the interest of the Township in the Facility, or any portion thereof, which is condemned or taken for any public or quasi-public use shall be terminated when title thereto vests in the party condemning or taking the same (hereinafter referred to as the "termination date"). The Township hereby irrevocably assigns to the Authority all right, title and interest of the Township in and to any net proceeds of any award, compensation or damages (hereinafter referred to as an "award"), payable in connection with any such condemnation or taking of the Facility, or any portion thereof, during the Facility Lease Term. Such net proceeds shall be initially paid to the Trustee for disbursement or use as hereinafter provided. In no event shall the Township exercise or encourage the exercise of any powers of eminent domain to condemn the Facility.

In the event of any condemnation or taking, the Township may, within ninety (90) days after the termination date thereof, elect by written notice of such election to the Authority and the Trustee, as applicable, to have the net proceeds payable as a result of condemnation applied to the prepayment of Rentals hereunder. In such event the Township shall, in its notice of election to the Authority and the Trustee, as applicable, direct that such net proceeds, when and as received, be deposited with the Authority or if Bonds are Outstanding, in the Bond Service Fund (if such prepayment is to be applied to payment of the principal of, redemption premium, if any, and interest on the Bonds and applied as a credit against future Rentals which are required to be made by or on behalf of the Township).

The Authority shall cooperate fully with the Township in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Facility or any part thereof and will, to the extent it may lawfully do so, permit the Township to litigate in any such proceeding in the name and behalf of the Authority. In no event will the Authority voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceedings with respect to the Facility or any part thereof without the prior written consent of the Township.

Any remaining net proceeds of any award, compensation or damages after application of same as provided for in this Section 6.7 shall be paid to the Township.

SECTION 6.8. Net Lease. This Agreement shall be deemed to be and is construed to be a "net lease", and the Township shall pay absolutely net during the Facility Lease Term, the Rentals and all other payments which are required to be made under the terms of this Agreement, free of all deductions, and without abatement, diminution and setoff.

ARTICLE VII

SPECIAL COVENANTS

SECTION 7.1. Township's Right to Possession. Except as otherwise provided herein, the Township shall be entitled to sole possession and use of the Facility during the Facility Lease Term, subject to the terms hereof applicable to the rights of the Township.

SECTION 7.2. Quiet Enjoyment. The Authority covenants and agrees with the Township that upon the Township's payment of the Rentals and the other payments which are required to be made under the terms of this Agreement and observing and performing all the terms, covenants, and conditions to be observed and performed by the Township, the Township may peaceably and quietly have, hold and enjoy the Facility except for reasonable interruptions related to the construction performed as part of the Project.

SECTION 7.3. Compliance with Laws and Regulations. The Township will, at its own cost and expense, promptly comply with all laws, rules, regulations and other governmental requirements, whether or not the same require structural repairs or alterations, which may be applicable to the Township and the Facility or the use or manner of use of the Facility. The Township will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Facility.

SECTION 7.4. Covenant Against Waste. The Township covenants not to do or suffer or permit to exist any waste, Damage, disfigurement or injury to, or public or private nuisance upon, the Facility.

SECTION 7.5. Right of Inspection. The Township covenants and agrees to permit the Authority and the authorized agents and representatives of the Authority to enter the Facility at all times during normal business hours for the purpose of inspecting the same.

SECTION 7.6. Condition of Premises. Except as otherwise provided in the Project Management Agreement, the Authority makes no representations whatsoever in connection with the condition of the Facility, and the Authority shall not be liable for any defects therein.

SECTION 7.7. Assignment and Sale by Township. The Township will not sell, sublease or otherwise dispose of or encumber its interest in the Facility, except as provided in Section 7.8 hereof. This Agreement may be assigned in whole or in part by the Township upon the prior written consent of the Authority (which consent shall not be unreasonably withheld or unduly delayed) but no assignment shall relieve the Township from satisfying any of its obligations hereunder, and in the event of any such assignment, the Township shall continue to remain primarily liable for the payments specified in this Agreement and for performance and observance of the other agreements provided herein.

SECTION 7.8. Subletting. The Township may sell, subdivide, rent or sublease the Facility, as determined by the Authorized Township Representative, with the prior written consent of the Authority (which consent shall not be unreasonably withheld or unduly delayed).

Any sublease shall provide that such sublease shall be subject to termination, at the option of the Authority, upon the occurrence of an Event of Default under this Agreement. No sublease shall have any adverse effect upon this Agreement or affect or diminish the Township's obligations hereunder.

Any sale by the Township shall be conditioned upon the severance of such portion of the Facility from this Agreement and the payment of the Purchase Option Price in respect of such portion, as contemplated by Section 5.7 hereof.

The Township shall not sell, subdivide, rent, sublease or otherwise dispose of all or any portion of the Facility if such sale, rental, sublease or disposition would, in the opinion of Bond Counsel to the Authority, cause the interest on any of the Bonds which may be Outstanding to lose their exemption from Federal income taxation.

SECTION 7.9. Cooperation by the Township. The Township shall give the Authority its full cooperation and assistance in all matters relating to the financing of the Facility.

The Township agrees that, whenever requested by the Authority, it shall provide and certify, in form satisfactory to the Authority, such information concerning the Township and the Facility, the operations and finances of the Township and such other matters that the Authority considers to be necessary in order to enable it to complete and publish an official statement or other similar disclosure document relating to the sale of any Bonds or to enable the Authority to make any reports which are required by any law or governmental regulations in connection with any Bonds.

SECTION 7.10. Consultation with Authorized Township Representative. The Authority agrees to consult with the Authorized Township Representative on the terms and timing of proposed sales of all Bonds and the contents of all resolutions, certificates, applications, contracts, official statements, notices of sale, advertisements, and other documents relating to any financing relating to the Facility.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1. Events of Default. An "event of default" or a "default" shall mean, whenever they are used in this Agreement, any one or more of the following events;

(a) Failure by the Township to pay when due the payments which are required to be made under the provisions of Section 5.1(a) hereof;

(b) Failure by the Township to pay when due any payment which are required to be made under the provisions of this Agreement other than payments required to be made under Section 5.1(a) hereof, which failure shall continue for a period of sixty (60) days after written notice thereof has been given to the Township, specifying such failure and requesting that it be remedied;

(c) Failure by the Township to observe and perform any covenant, condition or agreement which is required to be observed or performed by it other than as referred to in subsections (a) and (b) of this Section 8.1, which failure shall continue for a period of sixty (60) days after written notice thereof has been given to the Township, specifying such failure and requesting that it be remedied, unless the Authority and the Trustee, if necessary, shall agree in writing to an extension of such time prior to its expiration and; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Township, or on its behalf, within the applicable period and is diligently pursued until the default is remedied;

(d) The filing by the Township for bankruptcy relief concerning its indebtedness under any federal, state or local statutes or entering of an order or decree appointing a receiver for the Facility, or any part thereof, or of the revenues thereof with the consent or acquiescence of the Township or the entering of such order or decree without the acquiescence or consent of the Township in the event that such order or decree shall not be vacated, discharged or stayed within ninety (90) days after its entry; or

(e) Failure of the Township in any fiscal year to budget or appropriate from its general revenues, any payments due hereunder in such fiscal year.

SECTION 8.2. Remedies. Whenever any event of default referred to in Section 8.1 hereof shall have occurred and shall be continuing, any one or more of the following remedial steps may be taken, provided that prior written notice of the default has been given to the Township by the Authority and the default has not been cured:

(a) The Trustee may, at its option and by notice to the Township, accelerate the payment of the remaining principal component of the Rentals identified in Section 5.1 hereof and the amount of the interest component of such Rentals accrued to the date of such notice, all pursuant to the terms of the Bond Resolution. Upon such acceleration, the Trustee, on behalf of the Authority, may assign rights to payments by the Township under this Agreement to the Trustee.

(b) The Authority may re-enter and take possession of the Facility without terminating this Agreement, and may sublease the Facility for the account of the Township, holding the Township liable for the difference, if any, in the rent and other amounts which are payable by the sublessee and the Rentals and other amounts which are due and payable by the Township under the terms of this Agreement.

(c) The Authority may terminate the Facility Lease Term, exclude the Township from possession of the Facility and use its best efforts to lease the Facility to another party (to the extent possible) for the account of the Township, holding the Township liable for all Rentals and other amounts which are due and payable under the terms of this Agreement and which are not paid by such other party.

(d) To the extent the same may be permitted by law, the Authority may terminate the Facility Lease Term, exclude the Township from possession of the Facility and sell the Facility (to the extent possible), holding the Township liable for payment of all Rentals and other amounts which are due under the terms of this Agreement and which are not paid from the proceeds derived from such sale.

(e) The Authority, the Trustee or, if the Authority's rights to receive payments under this Lease have been assigned to the Trustee, the Trustee may take whatever action at law or in equity may appear to be necessary or desirable in order to collect the payments which are then due and payable and thereafter to become due and payable, or to enforce performance and observance of any obligation, agreement or covenant of the Township under the terms of this Agreement.

Any amounts which are collected pursuant to action taken under this Section shall be applied in accordance with the provisions of the Bond Resolution or if the Bonds have been fully paid by the Township (or provision for payment thereof has been made in accordance with the terms of the Bond Resolution), such amounts shall be paid to the Township.

SECTION 8.3. Reinstatement. Notwithstanding any termination of this Agreement in accordance with the provisions of Section 8.2 hereof, if (a) the occurrence of an Event of Default results in the acceleration of the Outstanding Bonds by the Trustee pursuant to the terms of the Bond Resolution and (b)(i) all arrears of interest on such Outstanding Bonds and interest on overdue installments of the principal of, redemption premium, if any, and interest on such Bonds, at a rate per annum which is equal to the highest rate per annum borne by any of the Bonds, (ii) the principal of and redemption premium, if any, and interest on all Bonds then

Outstanding which have become due and payable otherwise than by acceleration, and (iii) all other sums which are due and payable under the terms of the Bond Resolution, except the principal of and the interest on such Bonds which by such acceleration shall have become due and payable, shall have been paid, and all other things shall have been performed in respect of which there was a default and there shall have been paid the reasonable fees and expenses, including Administrative Expenses, of the Trustee and of the holders of such Bonds (including reasonable attorneys' fees paid or incurred) and such acceleration is rescinded under the terms of the Bond Resolution, then, the Township's default hereunder shall be waived without further action by the Trustee or the Authority. Upon such payment and waiver, this Agreement shall be fully reinstated, as if it had never been terminated, and the Township shall be restored to the use, occupancy and possession of the Facility.

SECTION 8.4. No Remedy Exclusive. No remedy conferred herein upon or reserved to the Authority or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 8.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1. Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding upon the Township, the Authority and their respective successors and assigns, subject, however, to the provisions of Section 7.7 and Section 7.8 hereof.

SECTION 9.2. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 9.3. Amounts Remaining Under Bond Resolution. It is agreed by the parties hereto that upon the expiration or sooner termination of the Facility Lease Term, as provided in this Agreement, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Bond Resolution) and the fees, charges and expenses of the Trustee and paying agents and the Authority in accordance with the provisions of the Bond Resolution, any amounts which are remaining in any fund or account created under the terms of the Bond Resolution shall belong to, and be paid by the Authority (after receipt from the Trustee) to the Township.

SECTION 9.4. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.5. Notices. All notices or other communications provided for in this Agreement shall be in writing and shall be delivered personally to, or sent by certified or registered mail to the respective offices of the Mayor, Municipal Building, PO Box 317, Elwood, New Jersey 08217/ 4528 S. White Horse Pike, Elmwood, NJ 08217, with a copy to Maressa Patterson, LLC, 191 W White Horse Pike, Berlin, NJ 08009, Attention: David Paterson, Esq., and to the Chairman of the Authority, 600 Aviation Research Blvd., Egg Harbor, New Jersey 08234, with a copy to McManimon, Scotland and Baumann, 75 Livingston Avenue, Roseland, New Jersey 07068, Attention: Kevin P. McManimon, Esq., or to such representatives as the Authority or the Township may from time to time designate in writing.

SECTION 9.6. Headings. The article and section headings in this Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

SECTION 9.7. Non-Waiver. It is understood and agreed that nothing contained in this Agreement shall be construed as a waiver on the part of the parties, or any of them, of any right not explicitly waived in this Agreement.

SECTION 9.8. Amendments. The Township and the Authority may agree to amend this Agreement to modify the terms and conditions of the Agreement as it relates to the Facility, subject to the requirement that an opinion of Bond Counsel to the Authority be received stating that such amendment shall not cause the interest on any of the Bonds which may be Outstanding to lose their exemption from Federal income taxation.

SECTION 9.9. Covenant of Township as to Compliance With Federal Tax Matters. Upon the advice of Bond Counsel to the Authority, the Township covenants that it will take all actions which are within its control that are necessary to assure that interest on any Bonds that may be issued shall be exempt from Federal income taxation and the Township covenants that it will refrain from taking any action that would cause the interest on any such Bonds to be includable as gross income under the provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

SECTION 9.10. Change in Description of Project. Notwithstanding anything herein to the contrary, this Agreement may be amended under all circumstances to provide for a change in the description or location of the Project.

SECTION 9.11 Amendment of Exhibit A Related to the Issuance of Bonds. If Bonds are ever issued to refinance the Costs of the Facility, the Authority, with the consent of the Township, may amend **Exhibit A** hereto to revise the Basic Rent Payments in an amount necessary to pay the principal of, redemption price if any, and interest on any Outstanding Bonds.

SECTION 9.12 Recitals. The recital clauses set forth above are incorporated herein and made a material part hereof.

SECTION 9.13 Governing Law. This Agreement shall be governed and construed as to interpretation, enforcement, validity, construction, effect, and in all other respects by the laws, statutes and decisions of the State of New Jersey, the United States District Court and any court of competent jurisdiction of the State of New Jersey shall have jurisdiction in any action, suit or other proceeding instituted to enforce this Agreement. The Parties hereby waive (a) any objections to the jurisdiction of such courts, (b) any objections to venue and (c) their right to trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this Agreement.

SECTION 9.14 Representations and Warranties. The representations and warranties of the Authority herein shall be deemed to be for the benefit of the Township and its permitted successors and assigns. The representations of the Township herein shall be deemed to be for the benefit of the Authority and its permitted successors and assigns.

{THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK}

29

IN WITNESS WHEREOF, the Township has caused this instrument to be executed in its name by the Mayor of the Township and the official seal to be hereunto affixed and the Authority have caused this instrument to be executed in its name by its Executive Director or Chairperson, all as of the day and year first above written.

ATTEST:	TOWNSHIP OF MULLICA, IN THE COUNTY OF ATLANTIC, NEW JERSEY
By: Kayla M. Veltman Deputy Municipal Clerk	By: E Hagaman ED HAGAMAN, Mayor
ATTEST:	ATLANTIC COUNTY IMPROVEMENT AUTHORITY
By:__________ Name, Title	By:__________ TIMOTHY D. EDMUNDS, P.E. Executive Director

IN WITNESS WHEREOF, the Township has caused this instrument to be executed in its name by the Mayor of the Township and the official seal to be hereunto affixed and the Authority have caused this instrument to be executed in its name by its Executive Director or Chairperson, all as of the day and year first above written.

ATTEST:	TOWNSHIP OF MULLICA, IN THE COUNTY OF ATLANTIC, NEW JERSEY
By:__________ KRYSTEL ARANA, Deputy Municipal Clerk	By:__________ ED HAGAMAN, Mayor
ATTEST:	ATLANTIC COUNTY IMPROVEMENT AUTHORITY
By: Name, Title Financial Specialist	By: TIMOTHY D. EDMUNDS, P.E. Executive Director

EXHIBIT A

Authority Administration Fee - $5,506.25 (paid per Section 5.1(b)(iv))

SCHEDULE OF BASIC RENT PAYMENTS

August 27, 2025 $4,580,710.56

EXHIBIT B

FORM OF REQUISITION FOR PAYMENTS FROM PROJECT FUND

REQUISITION

We, the undersigned Authorized Authority Representative of The Atlantic County Improvement Authority, in the County of Atlantic, New Jersey (the "Authority"), and the undersigned Authorized Township Representative of the Township of Mullica, New Jersey (the "Township"), DO HEREBY CERTIFY pursuant to and in accordance with the terms of (i) a resolution of The Atlantic County Improvement Authority (the "Authority") duly adopted on May 25, 2022, entitled "RESOLUTION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS, SERIES 2022 (TOWNSHIP OF MULLICA MUNICIPAL COMPLEX PROJECT), OF THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY AND DETERMINING OTHER MATTERS RELATED THERETO", as amended, restated, modified and supplemented from time to time (the "Resolution"), and (ii) the Lease Purchase Agreement between the Authority and the Township, dated as of August 1, 2024 (the "Agreement"; and the capitalized terms herein shall have the same meaning as set forth in the Agreement), as follows:

A. Description of Request

1. The Trustee is hereby directed to make payment under this Requisition to the payee named in Schedule A attached hereto.

2. The amount to be disbursed under this Requisition is $_______________.

B. Representations

As required under the Resolution, WE HEREBY CERTIFY as follows:

1.

(A) $_________ of the moneys to be disbursed pursuant to this Requisition are to be used to pay for work done in performance of any construction contract and Supplemental Agreements.

2. If any of the moneys requisitioned by this Requisition from the Project Fund are for expenses that have been incurred by the Authority or the Township for studies, surveys and estimates, engineering borings, preliminary investigations to determine foundation or other conditions, estimates of costs of revenues and other estimates which are necessary or incidental to determining the feasibility or practicability of the Project or payments that are to be made for labor and to contractors, builders and materialmen in connection with such construction or payments that are to be made for restoration of property which has been damaged or destroyed in connection with construction of the Project, we have made an investigation as to such

expenses and, to the best of our knowledge, each such obligation has been properly incurred by the Authority on behalf of the Township, or the Township itself and, insofar as such obligation was incurred for work, materials, supplies or equipment, such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Project or that such materials, supplies or equipment were fabricated for the construction thereof.

3. Each obligation mentioned herein has been incurred by the Authority on behalf of the Township, or the Township itself, and is a proper charge against the Project Fund, is a proper Cost of the Project for which the Project Fund was established, is unpaid and has not been the basis of any previous Requisition.

4. As a condition of receiving any payments under this Requisition, the Authority and the Township represent that each of them has not received or been served with a notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of any of the amounts payable under this Requisition to any of the payees named in this Requisition, or if any lien, attachment or claim has been filed with or served upon either the Authority or the Township, respectively, such lien, attachment or claim has been released or discharged.

5. The payments to be made pursuant to this Requisition do not include any items which represent payment on account of any retained percentages which the Authority or the Township is, as of the date hereof, entitled to retain.

6. The undersigned are each an Authorized Authority Representative and Authorized Township Representative, respectively.

The undersigned, an Authorized Authority Representative, on behalf of The Atlantic County Improvement Authority, hereby approves the above Requisition.

THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY

By:_________________________________
Authorized Authority Representative
Name:
Title:

Dated:
Reviewed By:________________________

Authorized Township Representative

Name:
Title:
Dated:

SCHEDULE A

Name:

Address:

Amount: $

Funds to be Disbursed from

Project Fund

$

Description of Product/Service:

EXHIBIT C

FORM OF CERTIFICATE OF COMPLETION AND ACCEPTANCE

I, the undersigned Authorized Authority Representative of The Atlantic County Improvement Authority, in the County of Atlantic, New Jersey (the "Authority") , DOES HEREBY CERTIFY pursuant to and in accordance with the terms of (i) a resolution of The Atlantic County Improvement Authority (the "Authority") duly adopted on May 25, 2022, entitled "RESOLUTION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS, SERIES 2022 (TOWNSHIP OF MULLICA MUNICIPAL COMPLEX PROJECT), OF THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY AND DETERMINING OTHER MATTERS RELATED THERETO", as amended, restated, modified and supplemented from time to time (the "Resolution"), and (ii) the Lease Purchase Agreement between the Authority and the Township of Mullica, New Jersey (the "Township"), dated as of August 1, 2024 (the "Agreement" and the capitalized terms herein shall have the same meaning as set forth in the Agreement), THAT the Project to be constructed and installed, as described in the Agreement, has been constructed and installed pursuant to and in accordance with said Agreement, and has been accepted by the Township and is now available for occupancy and use in accordance with the terms of the Agreement. Proceeds from all draws made under the terms of the Resolution have been fully disbursed for Costs of the Project.

Moneys remain on deposit in the Project Fund earmarked for the Project. Below is a schedule indicating when and how much of the remaining moneys are to be applied as stated in Section 405 (b) of the Resolution.

THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY

By:_________________________
Authorized Authority Representative

Dated:_______________,202__

Reviewed By:_______________________
Authorized Township Representative
Name:
Title:
Dated:

5

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

RESOLUTION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS, SERIES 2022 (TOWNSHIP OF MULLICA MUNICIPAL COMPLEX PROJECT), OF THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY AND DETERMINING OTHER MATTERS RELATED THERETO

Adopted: May 25, 2022

TABLE OF CONTENTS

ARTICLE I

Definitions and Interpretations

ARTICLE II

Determinations By and Obligations of the Authority

ARTICLE III

Authorization, Terms, Execution and Issuance of Bonds

ARTICLE IV

Project Fund

ARTICLE V

Revenues and Funds

ARTICLE VI

Particular Covenants of Authority

ARTICLE VII

Redemption of Bonds

ARTICLE VIII

Supplemental Resolutions

ARTICLE IX

Amendments

ARTICLE X

Default Provisions and Remedies of Trustee and Bondholders

ARTICLE XI

Trustee, Paying Agent and Registrar

ARTICLE XII

Miscellaneous

ARTICLE XIII

Provisions Concerning The Agreement

RESOLUTION AUTHORIZING THE ISSUANCE OF LEASE REVENUE BONDS, SERIES 2022 (TOWNSHIP OF MULLICA MUNICIPAL COMPLEX PROJECT), OF THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY AND DETERMINING OTHER MATTERS RELATED THERETO

WHEREAS, The Atlantic County Improvement Authority (the "Authority") has been duly created by resolution duly adopted by the Board of County Commissioners (the "Board of County Commissioners") of the County of Atlantic (the "County") in the State of New Jersey (the "State") as a public body corporate and politic of the State pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act") and other applicable law; and

WHEREAS, the Township of Mullica, New Jersey (the "Township"), a municipal corporation of the State, desires to construct a new municipal building/police department complex (the "Facility") on real property owned by the Township, located at 4528 White Horse Pike, Elwood, New Jersey 08217 (the "Property" and, together with the construction of the Facility, the "Project"); and

WHEREAS, the Township has requested the Authority's assistance in financing the Project as described herein; and

WHEREAS, the Project constitutes a "public facility" as such term is defined in the Act; and

WHEREAS, the Authority has agreed to finance the Project on behalf of the Township through the issuance of bonds, and any notes issued in anticipation thereof, and shall, in connection therewith, acquire a leasehold interest in the Property and simultaneously lease back the Facility and the Property to the Township pursuant to a lease purchase agreement; and

WHEREAS, in order to finance the Project the Authority will issue bonds, and possibly notes issued in anticipation thereof, in one or more series, including renewals, in an aggregate principal amount not to exceed $5,000,000, to be designated as "Lease Revenue Bonds, Series 2022 (Township of Mullica Project)" (collectively, the "Bonds") with such further designation and in accordance with the terms of this resolution of the Authority (together with any amendments thereof or supplements thereto in accordance with the terms thereof, the "General Bond Resolution"); and

WHEREAS, the Authority will use proceeds from the sale and issuance of the Bonds to, among other things, finance the design and construction of the Project, and simultaneously therewith, enter into a lease purchase agreement with the Township to be dated as of the first day of the month of issuance of the initial series of Bonds (together with any amendments thereof or supplements thereto in accordance with its terms, the "Lease Purchase Agreement"), pursuant to which the Authority make a nominal payment to the Township to acquire a leasehold interest in the Property and then will lease the Project to the Township for its use and ultimately convey the Project to the Township (the transactions contemplated hereinabove shall be referred to as the "Financing"); and

WHEREAS, pursuant to the Act, specifically Section 35 thereof (N.J.S.A. 40:37A-78), the Authority is authorized to enter into and perform any lease or other agreement, including the Lease Purchase Agreement, with the Township for the lease to or use by the Township of all or any part of any public facility, including the Project, on any terms and conditions which may be agreed upon by the Township and the Authority; and

WHEREAS, in accordance with Section 13 of the Act (N.J.S.A. 40:37A-56), prior to the Project of the leasehold interest in the Property and the financing of the Project, the Authority will have made a detailed report to the Board of County Commissioners, which report will include, without limitation, the General Bond Resolution adopted by the Authority, the Bonds and the Lease Purchase Agreement (collectively, the "Financing Documents");

NOW THEREFORE, BE IT RESOLVED BY THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY, as follows:

ARTICLE I

Definitions and Interpretations

Section 101. Definitions. The following terms which are used as defined terms herein shall, unless the context clearly requires otherwise, have the meanings which are set forth below:

"Accountant" means any registered municipal accountant of the State or a certified public accountant of the State, who, in either case, may be the accountant or a member of a firm of accountants who regularly audit the books and accounts of the Authority, as selected by the Authority from time to time.

"Act" means the "county improvement authorities law" constituting Chapter 183 of the Laws of New Jersey of 1960, and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40:37A-44 *et seq*.).

"Additional Bond" or "Additional Bonds" means any bond or bonds of the Authority which are authorized and issued pursuant to the terms of Sections 317 and 318 hereof.

"Additional Project" means any such project authorized in accordance with a supplemental resolution.

"Additional Rent" means amounts including, but not limited to, amounts payable by the Township to the Authority under the Agreement, the annual Trustee's fee and annual Authority Administrative Expenses, professional fees incurred for any arbitrage rebate calculation, arbitrage rebate expenses, and all direct and indirect costs and expenses incurred by the Authority related to the enforcement of the Agreement, including reasonable attorneys' fees related thereto.

"Agreement" means that certain Lease Purchase Agreement between the Authority and the Township for the Project of leasehold interest in the Property by the Authority from the Township, and the lease-purchase of the Project by the Township from the Authority.

"Authority" means The Atlantic County Improvement Authority, a public body corporate and politic of the State organized and existing under the Act and created by virtue of a resolution of the Board of County Commissioners of the County.

"Authority Administrative Expenses" means any and all expenses of the Authority and its agents, professionals and employees incurred or to be incurred by or on behalf of the Authority in the administration of its responsibilities under this Bond Resolution or the enforcement of the Agreement, including, but not limited to, (i) the Initial Authority Financing Fee, (ii) all fees and expenses, including, but not limited to, indemnification expenses, if any,

incurred in connection with the issuance of any Bonds, the financing of the Project or the compelling of the full and punctual performance of this Bond Resolution and the Agreement in accordance with the terms hereof and thereof, (iii) all fees and expenses, including, but not limited to, continuing disclosure expenses and indemnification expenses, if any, of counsel, fiduciaries and others, and (iv) any fees and expenses, including, but not limited to, indemnification expenses, if any, incurred by the Paying Agent, the Bond Registrar or the Trustee or any or all fiduciaries in connection with the performance of their respective fiduciary responsibilities under this Resolution of the enforcement of the Agreement, all to the extent not capitalized pursuant to the requirements of this Resolution, which Authority Administrative Expenses shall be paid as Additional Rent by the Township.

"Authorized Authority Representative" means the Chairman, Vice Chairman or the Executive Director of the Authority and any other person or persons who shall be authorized to act on behalf of the Authority by virtue of a written certificate, duly executed on behalf of the Authority by the Chairman, Vice Chairman or the Executive Director of the Authority, which sets forth the specimen signatures of each such person or any other Authority Officer or Representative designated by Supplemental Resolution of the Authority.

"Authorized County Representative" means any person or persons authorized to act on behalf of the County by a written certificate signed on behalf of the County by the County Executive containing the specimen signature of each such person.

"Authorized Newspaper(s)" means (a) one newspaper which is customarily published and generally circulated at least once in each calendar week in the County, and (b) one newspaper which is a nationally recognized local government bond marketing publication or electronic information service carrying municipal bond notices and devoted primarily to financial news or the subject of state and municipal bonds, each of which newspapers is printed in the English language.

"Basic Rent" means the basic rent payments payable by the Township to the Authority under the Agreement required to amortize Bond Service on any Series of Bonds issued by the Authority pursuant to this Resolution.

"Bond" or "Bonds" means any bond or bonds, including the Bonds as the case may be, and renewals therefore, of the Authority which are authorized herein and which may be issued in one or more Series pursuant to the terms of Article III hereof, and any bonds issued in lieu of or in substitution for such Bonds pursuant to the terms of this Resolution, and any notes issued in anticipation of such Bonds.

"Bondholder" or the term "Holder" or any similar term when used with reference to a Bond or Bonds, means the Registered Owner.

"Bond Counsel" means an attorney or firm of attorneys with experience and nationally recognized expertise in the area of municipal finance, as may be appointed by the

Authority from time to time.

"Bond Reserve Credit Facility" means any letter of credit, surety bond, loan agreement or other credit agreement, facility, insurance or guaranty arrangement issued by a financial institution, insurance company or association which is obtained by the Authority, with the prior written consent of the issuer of such bond reserve credit facility, in satisfaction of all or any portion of the Bond Reserve Requirement with respect to any Series of Bonds.

"Bond Reserve Fund" means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof.

"Bond Reserve Requirement" means, as of the date of computation, the amount of money required to be on deposit in the Bond Reserve Fund for any or all Series of Bonds, which may be \$-0- as determined by Supplemental Resolution of the Authority or by a Certificate of Authority Officer relating to the Bonds. All or any part of the Bond Reserve Requirement may be satisfied by depositing funds in the Bond Reserve Fund or by obtaining a Bond Reserve Credit Facility.

"Bond Service" for any period means, as of any date of calculation and with respect to the Outstanding Bonds, an amount equal to the sum of (i) the interest accruing during such period on such Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the Bond Service Fund, and (ii) that portion of each Principal Installment which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date or, if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of issuance of the Bonds, whichever is later. Such interest and Principal Installments for such series shall be calculated on the assumption that no Bonds Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof. The calculations in the preceding sentence shall be made on the basis of a 30 day month and 360 day year.

"Bond Service Fund" means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof.

"Bond Service Requirement" with respect to the next Interest Payment Date for the Bonds means, (i) in the case of an Interest Payment Date on which interest only shall be due, interest accrued and unpaid and to accrue to such date plus that portion of the Principal Installment or Installments which would accrue to such date if such Principal Installment or Installments be deemed to accrue in the manner provided in the definition of "Bond Service" set forth herein, and (ii) in the case of an Interest Payment Date on which both interest and a Principal Installment or Installments shall be due, interest accrued and unpaid and to accrue to such date plus the Principal Installment or Installments due on such date.

"Bond Year" means, in the case of the first bond year, the period beginning on the date of issuance of such Bonds and ending on the first anniversary of such date. Each subsequent Bond Year is the one year (1) period beginning on the day after the expiration of the previous Bond Year.

"Book-Entry Bonds" means any Bonds which are issued in book-entry only form as evidenced by one or more certificates for each stated principal maturity of the Bonds which Bonds are in registered form and delivered to a Securities Depository.

"Business Day" means any Monday, Tuesday, Wednesday, Thursday or Friday which is not a day on which either state or federally chartered banking institutions in the City of New York or the State are authorized or obligated by law or executive order to close.

"Capital Appreciation Bonds" means any bond issued under this Resolution as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding in the resolution authorizing said Bonds and payable in an amount equal to the then current accreted value only a the maturity, earlier redemption or other payment date therefore, all as so designated by the Authority in the resolution authorizing said Bonds and which may be either Serial Bonds or Term Bonds

"Certificate of Authority Officer" means any certificate which is executed by an Authorized Authority Representative for any purpose which is provided in the Resolution or in any Supplemental Resolution of the Authority.

"Code" means the Internal Revenue Code of 1986, as the same may be amended from time to time, and the regulations promulgated thereunder and any regulations promulgated under the Internal Revenue Code of 1954, as amended, to the extent applicable to the Bonds.

"Counsel's Opinion" means an opinion which shall be signed by an attorney or firm of attorneys of recognized standing (who may be counsel or of-counsel to the Authority) which shall be selected by the Authority, and, if such opinion is required to be delivered to the Trustee, which firm shall be satisfactory to the Trustee.

"County" means the County of Atlantic, a political subdivision of the State.

"Cost" or "Costs of the Project" means and shall be deemed to include, together with any other proper item of cost which is not specifically mentioned herein but which is specifically provided under the definition of "cost" or "costs," as set forth in the Act, whether incurred prior to or after the date of adoption of the Resolution, (a) the Facility Project Fee as set forth in the Agreement and all fees associated with the work and labor necessary to acquire such Agreement; (b) costs of any duly authorized Additional Project (c); compensation and expenses of the Trustee, Paying Agent, Registrar, and/or other fiduciaries, financial advisory, legal, accounting, underwriting, financial and printing expenses, fees and all other expenses incurred in connection with the (i) issuance of any Series of Bonds, and (ii) obtaining a Credit Facility or Bond Reserve Credit Facility for any Series of Bonds; (d) all other costs which the Authority shall be required to pay under the terms of any contract or contracts for the Project or Additional Projects; (e) deposits into the Bond Service Fund for payment of interest on the Bonds and deposits in the Bond Reserve Fund or any other fund or account under the Resolution; (f) such other expenses which are not specified herein as may be necessary or incidental in accordance with the Agreement or Additional Projects, and (g) all costs and expenses incurred by any Agent of the County and the Authority in connection with the adoption, administration and enforcement of the Agreement.

"Credit Facility" means with respect to any Series of Bonds, or portion thereof, any letter of credit, surety bond, loan agreement or other credit agreement, facility, insurance or guaranty arrangement issued by a financial institution, insurance company or association pursuant to which funds are available to pay the principal of and interest on such Series of Bonds or portions thereof.

"Defeasance Obligations" means (a) any direct and general obligation of, or any obligation fully and unconditionally guaranteed by, the United States of America, (b) any certificates of deposit which constitute Investment Obligations; provided however, that such certificates of deposit are fully collateralized by Investment Obligations or (c) non-callable tax-exempt obligations which are rated "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service and which have been previously refunded by the issuer of such obligations.

"Event of Default" shall have the meaning given to it in Article X herein.

"Facility" shall have the meaning given to it in the recitals hereto.

"Fiduciary" means the Trustee, the Registrar, the Paying Agent, or any or all of them, as the case may be.

"Fiscal Year" means the period of twelve (12) calendar months commencing on January 1 and ending December 31, or such other period, as shall be determined from time to time by a resolution duly adopted by the Authority.

"General Fund" means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof.

"Herein," "hereunder," "hereby," "hereto" and "hereof" and any similar terms refer to the Resolution; the term "heretofore" means prior to the adoption of the Resolution; and the term "hereafter" means subsequent to the adoption of the Resolution.

"Indexing Agent" means, with respect to and in connection with the issuance of Variable Rate Bonds, as and to the extent expressly provided in a Supplemental Resolution authorizing the issuance of such Variable Rate Bonds, a nationally recognized indexing

authority, or any other corporation, association or investment banking institution having skill and expertise in connection with the determination of an interest rate to be borne by variable rate obligations (which may, but need not, be the Remarketing Agent), in order to assist, to the extent provided in Section 303 hereof, in determining the rate of interest to be borne by Variable Rate Bonds, or any other corporation, firm or association which may at any time be substituted in its place pursuant to the terms of the Resolution, as shall be appointed by the Authority.

"Interest Index" means, if necessary, with respect to and in connection with the issuance of Variable Rate Bonds, as and to the extent expressly provided in a Supplemental Resolution of the Authority authorizing the issuance of such Variable Rate Bonds, the index which shall be used to determine the variable rate of interest to be borne by Variable Rate Bonds, which index shall be established in accordance with the terms of a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any Bonds, or as may be determined by a Certification of Authorized Officer, as the case may be.

"Interest Payment Date" means the date for the payment of interest on any Series of Bonds as determined by Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any Bonds, or as may be determined by a Certificate of Authority Officer, as the case may be. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day to interest accrued to the Interest Payment Date.

"Interest Payment Period" means a specified period for the calculation of interest on Variable Rate Bonds, as more specifically provided in a Supplemental Resolution duly adopted prior to the authentication and delivery of such Variable Rate Bonds.

"Initial Authority Financing Fee" means the amount equal to 1/8 of 1% of the outstanding par amount of any Series of Bonds for the initial financing fee of the Authority of such Series of Bonds, or as may be set forth in a Supplemental Resolution or Certificate of Authority Officer authorizing a Series of Bonds.

"Investment Obligations" means, any obligations authorized from time to time as permissible investments for county improvement authorities under State law or as may be determined by a Supplemental Resolution of the Authority or a Certificate of Authority Officer.

"Liquidity Facility" means, with respect to and in connection with the issuance of Capital Appreciation or Variable Rate Bonds, as and to the extent expressly provided in a Supplemental Resolution of the Authority authorizing the issuance of such Capital Appreciation or Variable Rate Bonds, an insurance policy, letter of credit or agreement or facility issued by a financial institution, insurance company or association pursuant to which the Fiduciary may obtain funds for payment of the principal of and accrued interest on Bonds upon the tender of such Bonds for purchase by the Holder thereof or upon the redemption of such Bonds by the Authority.

"Local Authorities Law" means the Local Authorities Fiscal Control Law constituting Chapter 313 of the Laws of New Jersey of 1983, and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40A:5A-1 et seq.).

"Maximum Annual Bond Service" means an amount equal to the greatest (1) interest on Outstanding Bonds, and (2) Principal Installments on Outstanding Bonds, in each case, in any current or future Fiscal Year.

"Operating Fund" means the fund so designated which is herein established and created by the Authority pursuant to the terms of section 501 hereof.

"Operating Fund Requirement" means the amount of money required at any such time when due to pay the Authority Administrative Expenses.

"Outstanding" when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (a) any Bond which has been canceled by the Authority or by the Registrar on or prior to said date, (b) any Bond for the payment or redemption of which either (i) cash, in an amount which is equal to the principal amount and redemption amount, as the case may be, or (ii) moneys and/or Investment Obligations in the amounts, of the maturities and otherwise conforming with the provisions of Section 1201 hereof, shall have theretofore been deposited with the Trustee in trust whether upon or prior to the maturity date or the redemption date of such Bonds and, except in the case of a Bond to be paid at maturity, of which notice of redemption shall have been given or provided for in accordance with the terms of Article VII hereof, and (c) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the provisions of the Resolution.

"Paying Agent" means any paying agent for the Bonds which shall be appointed by Supplemental Resolution of the Authority pursuant to the terms of Section 1102(a) hereof, and its successor or successors, and any other corporation or association that may at any time be substituted in its place pursuant to the terms of the Resolution.

"Payment Date" means any Interest Payment Date or any date on which a Principal Installment or Sinking Fund Installment is due and payable with respect to any series of Bonds.

"Payment Verification Date" means any date thirty (30) days prior to any Payment Date.

"Principal Installment" means, as of any date of calculation, and with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (i) the principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established plus any applicable redemption premium thereon, and (ii) any Sinking Fund Installments due on a certain future date for such Series, plus the amount of the sinking fund redemption premium, if any, which would be applicable upon redemption of the Bonds on such

future date in a principal amount equal to such Sinking Fund Installments.

"Principal Installment Date" means any date on which any Principal Installment on any Series of Bonds shall become due and payable by the Authority, or such other date as set forth in a Supplemental Resolution or Award Certificate authorizing a Series of Bonds. In the event a Principal Installment Date is not a Business Day, principal shall be paid on the next succeeding Business Day for the Principal Installment payable on the Principal Installment Date.

"Project" shall have the meaning given to it in the recitals hereto.

"Project Fund" shall mean the fund so designated which has been herein established and created by the Authority pursuant to the terms of Section 401 hereof.

"Rebate Fund" means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof.

"Record Date" means, with respect to a particular Series of Bonds, (a) the fifteenth (15^{th}) day (whether or not a business day) of the calendar month next preceding each Interest Payment Date, in the event that the Interest Payment Date is the first (1^{st}) day of a month, (b) the first (1^{st}) day (whether or not a business day) of the calendar month in which an Interest Payment Date occurs in the event that the interest payment date is the fifteenth (15^{th}) day of the month or, (c) as otherwise provided for a Series of Bonds in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Series of Bonds, or, as determined in a Certificate of Authorized Officer or Award Certificate which is duly executed in connection with the issuance of the Bonds.

"Redemption Price" means, when used with respect to any Bond, the principal amount of such Bond (or portion thereof) plus the applicable redemption premium, if any, which is payable upon redemption thereof in the manner contemplated in accordance with its terms and in accordance with the terms of this Resolution, together with interest accrued thereon to the date fixed for redemption as such Redemption Price shall be determined by a Supplemental Resolution duly adopted by the Authority or a duly executed Certificate of Authority Officer or Award Certificate.

"Registered Owner" means the owner of any Bond which is issued in fully registered form, as determined on the Record Date, and as reflected on the registration books of the Authority which shall be kept and maintained on behalf of the Authority by the Registrar.

"Registrar" means the registrar or bond registrar for the Bonds which shall be appointed by Supplemental Resolution of the Authority pursuant to the terms of Section 1102(b) hereof, and its successor or successors, and any other corporation or association which may at any time be substituted in its place pursuant to the terms of the Resolution.

"Remarketing Agent" means any corporation, banking institution or investment banking firm which shall be appointed by the Authority pursuant to a Supplemental Resolution and its successor or successors, acting for the purpose of remarketing any Variable Rate Bonds (including, if applicable, the determination of interest rates for such Variable Rate Bonds) which have been tendered by the holders thereof to the Tender Agent for purchase in order to obtain funds that are necessary to pay the purchase price of such Variable Rate Bonds of such date and at such time as may be established by a Supplemental Resolution authorizing the issuance of such Variable Rate Bonds.

"Rental Payment" means the payment by the Township of Basic Rent payable on each Rental Payment Date and, as applicable, Additional Rent payable by the Township pursuant to the Agreement.

"Rental Payment Date" means, with respect to the Bonds, not later than thirty (30) days prior to each Interest Payment Date, Principal Installment Date or Sinking Fund Installment Date on any Series of Bonds issued by the Authority pursuant to this Resolution, and such other dates determined in accordance herewith as may be set forth in a Supplemental Resolution authorizing a Series of Bonds, if any, or Certificate of Authority Officer, as the case may be. In the event a Rental Payment Date is not a Business Day, the Rental Payment shall be made by the Township on the next succeeding Business Day.

"Resolution" means this General Bond Resolution, as such term is defined in Section 106 hereof, as same may be amended or supplemented from time to time.

"Revenue Fund" means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof.

"Revenues" means (a) all amounts, including Basic Rent received from the Township pursuant to the provisions of the Agreement, (b) any investment income which is derived from the investment of any funds which are held by the Trustee and (c) any other amounts received from any other source by the Authority and pledged by the Authority as security for the payment of a particular Series of Bonds.

"Securities Depository" means the depository for any Book-Entry Bonds which are issued hereunder and which shall be appointed by the Authority pursuant to the terms of Section 1102(c) hereof, and its successor or successors and any corporation or financial or banking institution which may be substituted in its place pursuant to the terms of the Resolution.

"Series" means any series of Bonds which is authenticated and delivered on original issuance in a simultaneous transaction and which are as designated by a Supplemental Resolution of the Authority authorizing such Series of Bonds, and which may vary in maturity, interest rate, security and other provisions, from any other Series of Bonds that may be issued in a simultaneous transaction with such Series, and any Bonds which are thereafter authenticated and delivered in lieu of or in substitution for any of such Bonds of a Series pursuant to the terms of the Resolution; provided that, in no event shall any Bonds issued as Tax-Exempt Obligations

be treated as being part of the same Series as Bonds which are not Tax-Exempt Obligations.

"Serial Bonds" means the Bonds of a Series which shall be stated to mature in annual or semiannual installments.

"Sinking Fund" means the fund so designated which is herein established and created by the Authority pursuant to the terms of Section 501 hereof.

"Sinking Fund Installment" means the amount of money which is required by the terms of a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any Bonds, or, as may be determined by a Certificate of Authority Officer, as the case may be, to be paid from the Sinking Fund toward the retirement of any Term Bonds. However, "Term Bonds" does not include any amount which is payable by reason only of a maturity of a Bond.

"Sinking Fund Installment Date" means any date on which any Sinking Fund Installment on any Series of Bonds shall become due and payable by the Authority, or such other date as set forth in a Supplemental Resolution or Award Certificate authorizing a Series of Bonds. In the event a Sinking Fund Installment Date is not a Business Day, principal shall be paid on the next succeeding Business Day for the Sinking Fund Installment payable on the Sinking Fund Installment Date.

"Sinking Fund Requirement" means, as of any particular Withdrawal Date in a particular Bond Year and with respect to all Bonds which are Outstanding on such date, an amount of money which is equal to all prior Sinking Fund Installments then due and unpaid plus that portion of the Sinking Fund Installment for Outstanding Bonds that is due and payable on such Sinking Fund Installment Date, as the case may be as shall be determined by Supplemental Resolution of the Authority or by a duly executed Certificate of Authority Officer.

"Supplemental Resolution" means any resolution of the Authority amending or supplementing this Resolution which is duly adopted and which becomes effective in accordance with the terms of Article VIII hereof.

"Tax-Exempt Obligations" means any Series of Bonds which are issued pursuant to the terms of the Resolution together with an opinion of Bond Counsel to the effect that the interest on such Bonds is excludable from gross income pursuant to the provisions of the Code (notwithstanding the application of the provisions of the Code relating to alternative minimum taxation).

"Tender Agent" means any tender agent which shall be appointed by the Authority pursuant to a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any Variable Rate Bonds, and its successor or successors, in connection with the purchase of Variable Rate Bonds which are tendered by the holders thereof, or any other banking institution, corporation or investment banking firm which may be substituted therefor pursuant to

the terms of the Resolution or the terms of the agreement appointing the Tender Agent.

"Term Bonds" means the Bonds of a Series which shall be stated to mature on one date, rather than serially, and which shall be subject to retirement by operation of the Sinking Fund.

"Township" means the Township of Mullica, in the County of Atlantic, New Jersey.

"Trustee" means the trustee for the Bonds which shall be appointed by Supplemental Resolution of the Authority a Certificate of Authority Officer pursuant to the terms of Section 1101 hereof, and its successor or successors, and any other corporation or association which may at any time be substituted in its place pursuant to the terms of the Resolution.

"Variable Rate Bonds" means any Bonds which bear interest at a variable rate of interest and which are issued in accordance with the terms of Section 304 hereof.

"Withdrawal Date" means the Business Day preceding the Principal Installment Date, Sinking Fund Installment Date or Interest Payment Date on the Bonds.

Words importing persons include firms, associations and corporations; and

Words importing the maturity or payment of a Bond do not include or connote redemption of such Bond prior to maturity pursuant to the terms of this Resolution or the payment of the Redemption Price thereof; and

Words importing the redemption of, redeeming or calling for redemption of a Bond do not include or connote the payment of such Bond at its stated maturity date, or the payment of such Bond upon declaring the same due and payable in advance of such maturity date, or the purchase of such Bond; and

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

Section 102. Successors and Assigns. Whenever the Authority is named or referred to in the Resolution, such reference shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations, and agreements by or on behalf of, and other provisions for the benefit of, the Authority which are contained in the Resolution shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Authority, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of the Resolution or to comply with or fulfill any conditions which are set forth in the Resolution.

Section 103. Parties Interested Herein. Nothing which is contained in the Resolution (expressed or implied) is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Authority, the County, any Fiduciary, the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility, if any, or the Holders of the Bonds, any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements which are contained in the Resolution and which are to be performed by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the County, any Fiduciary, the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility and the holders of the Bonds.

Section 104. Severability of Invalid Provisions. If any one or more of the covenants or agreements which are contained in the Resolution which are to be performed on the part of the Authority, the County, any Fiduciary or any agent or employee of the Authority should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed separable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of the Resolution or of the Bonds.

Section 105. Applicable Law. The Resolution is adopted pursuant to statutes of the State, and the law of the State shall be applicable to its interpretation and construction.

Section 106. Short Title. This resolution may hereafter be cited by the Authority and is hereinafter sometimes referred to as the "General Bond Resolution" or the "Resolution".

ARTICLE II

Determinations By and Obligations of the Authority

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

Section 202. Resolution to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of the Resolution shall be deemed to be and shall constitute contracts between the Authority, the Trustee, the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility and the Holders from time to time of the Bonds. Any pledge which is made in the Resolution and the covenants and agreements which are set forth herein and which are to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility (for as long as such Credit Facility, Liquidity Facility or Bond Reserve Credit Facility remains outstanding) and the Holders of any and all of the Bonds of a particular Series and all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds of said Series over any other thereof except as expressly provided in or pursuant to the terms of the Resolution.

Section 203. Obligation of Bonds. The Bonds shall be special obligations of the Authority and the principal of, redemption premium, if any, and interest on the Bonds shall be payable from, (i) the Revenues available for such Series of Bonds (except such moneys that are required to be rebated to the United States government pursuant to the provisions of the code in order to insure that interest on any Bonds which are issued as Tax-Exempt Obligations continues to be excludable from gross income under the Code) and (ii) all moneys, securities and funds which are pledged under the terms of the Resolution, as and to the extent provided in Section 502 hereof. All Bonds of a particular Series and Bondholders of a particular Series of Bonds and the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility (for as long as the Authority has a reimbursement obligation to the issuer of such Credit Facility, Liquidity Facility or Bond Reserve Credit Facility) shall be entitled to the benefit of the continuing pledge and lien created by the Resolution to secure the full and final payment of the principal of, redemption premium, if any, and interest on the Bonds of a particular Series.

ARTICLE III

Authorization, Terms, Execution and Issuance of Bonds

Section 301. Authorization of Bonds. The Authority is hereby authorized to and shall enter into the Agreement with the Township. In accordance with the terms of the Act and subject to and in accordance with the provisions of this Resolution and for the purpose of raising funds to pay the Costs of the Project, together with amounts required to be deposited into any fund or account which is established pursuant to the terms of Section 501 hereof, Bonds of the Authority, each constituting a Bond, are hereby authorized to be issued from time to time in one or more Series in an aggregate principal amount not exceeding $5,000,000 including amounts required to be deposited into any fund or account which is established pursuant to the terms of Section 501 hereof; provided, that Bonds may be issued in excess of $5,000,000 in order to provide funds for the refunding of any Bonds.

Section 302. Particular Terms of the Bonds. (1) The Bonds shall be issued to provide for the cost of the Project in an aggregate principal amount not to exceed $5,000,000. Said Bonds shall be entitled "Lease Revenue Bonds, Series 2022 (Township of Mullica Project)" or such other title, or year to reflect the year in which issued. The Bonds shall be dated, shall bear interest at such rate or rates, including variable interest rates, per annum and shall mature as may be fixed by a Supplemental Resolution of the Authority adopted or a Certificate of Authority Officer signed prior to their authentication and delivery of the Bonds. Such resolution or certificate may contain any other terms and provisions of the Bonds not fixed by this Resolution, including any provisions necessary in connection with the issuance of Capital Appreciation or Variable Rate Bonds. The Bonds shall be payable as to principal or Redemption Price at the principal corporate trust office of the Paying Agent. Interest on the Bonds shall be payable in accordance with the provisions of this section. The Bonds shall be subject to redemption prior to their respective maturities to the extent, in the order, at the times, at the terms, at such Redemption Price and subject to all other terms, conditions and provisions in conformity with the Article VII as shall be specified and determined by the Supplemental Resolution of the Authority adopted or a Certificate of Authority Officer signed prior to their authentication and delivery of the Bonds.

(2) Toward the retirement of any Bonds which are Term Bonds, there shall be due and the Authority shall pay Sinking Fund Installments on the particular dates or in such several amounts as shall be specified and determined by a Supplemental Resolution of the Authority adopted or a Certificate of the Authority Officer signed prior to their authentication and delivery of the Bonds.

Section 303. General Terms of Bonds. The Bonds shall bear such designation or title, including the words "Lease Revenue Bonds, Series 2022 (Township of Mullica Project)" or as may be fixed by a Supplemental Resolution of the Authority adopted or a Certificate of Authority Officer signed prior to their authentication and delivery on original issuance by the

Trustee. The Bonds shall mature on the date set forth in such Supplemental Resolution or a Certificate of Authority Officer signed, shall be payable, with respect to principal, Redemption Price, if any, and interest in any coin or currency of the United States of America that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts, shall be issued in either the form of a fully registered Bond without coupons, each such Bond being payable to a named person or registered assigns, shall be substantially in the form provided in Section 1207 hereof, with such omissions, insertions and variations as are properly required and as are specified in a Supplemental Resolution of the Authority adopted prior to their authentication and delivery.

Interest on each of the Bonds shall be payable from and after its date on the dates set forth in such Supplemental Resolution of the Authority adopted or a Certificate of Authority Officer signed prior to their authentication and delivery. All Bonds shall be of the denomination of $5,000, or any integral multiple thereto, and shall each be in substantially the form provided for Section 1207 hereof. The Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words as are (a) not inconsistent with the provisions of the Resolution, (b) necessary or desirable to comply with custom or the rules of any securities exchange or commission or brokerage board, and (c) authorized by a Supplemental Resolution of the Authority adopted or a Certificate of Authority Officer signed prior to the authentication and delivery thereof.

Each Bond, including Capital Appreciation or Variable Rate Bonds, shall bear interest which may be fixed or variable from its date, as the case may be. Each Bond shall be dated as set forth in a Supplemental Resolution authorizing such Bonds. Such Supplemental Resolution shall contain terms not otherwise fixed by this Resolution, including any provisions necessary in connection with the issuance of Capital Appreciation or Variable Rate Bonds. Interest on the Bonds shall be paid by check, wire or bank draft and mailed to the Registered Owner of such Bond at the address on file with the Registrar.

Section 304. Book-Entry System. The Bonds may be issued or subsequently registered in the name of a Securities Depository or a nominee therefor, and held in the custody of the Securities Depository. In such event, a single bond will be issued and delivered to the Securities Depository for each Series of Bonds, and neither the actual purchasers of the Bonds (the "Beneficial Owners") nor the Paying Agent will receive physical delivery of Bond certificates except as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds will receive, hold or deliver any Bond certificate. The Authority, the Trustee and the Paying Agent will recognize the Securities Depository or its nominee as the Bondholder for all purposes, including notices and voting.

The Authority and the Trustee covenant and agree, so long as The Depository Trust Company or any other Securities Depository serves as Securities Depository for the Bonds, to meet the requirements of The Depository Trust Company or such other Securities Depository with respect to required notices and other provisions of the letter of representations or agreement

executed with respect to such Bonds.

The Authority, the Trustee and the Paying Agent may rely conclusively upon (a) a certificate of the Securities Depository as to the identity of the Participants in the Book-Entry System with respect to the Bonds and (b) a certificate of any such Participant as to the identity of, and the respective principal amount of Bonds beneficially owned by, the Beneficial Owners.

Whenever, during the term of the Bonds, the beneficial ownership thereof is determined through the books of the Securities Depository, the requirements in this Resolution of holding, delivering or transferring such Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository with respect to such actions to produce the same effect. Any provisions hereof permitting or requiring delivery of such Bonds shall, while such Bonds are in a Book-Entry System, be satisfied by the notation on the books of the Securities Depository in accordance with applicable state law.

The Authority may from time to time appoint a Securities Depository or a successor thereto and the Trustee and the Authority may enter into a letter of representation or other agreement with such Securities Depository to establish procedures with respect to the Bonds. Any Securities Depository shall be a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended.

Neither the Authority, the Trustee nor the Paying Agent will have any responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any Bonds; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of Bonds; or (e) any other action taken by the Securities Depository or any Participant.

Bond certificates are required to be delivered and registered in the name of the Beneficial Owner, under the following circumstances:

(a) A Securities Depository determines to discontinue providing its service with respect to such Bonds and no successor Securities Depository is appointed as described above; or

(b) The Authority determines not to continue the Book-Entry System through a Securities Depository.

If, at any time, the Securities Depository ceases to be the registered owner of the Bonds, thereafter all references herein to the Securities Depository shall be of no further force or effect.

None of the Authority, the Paying Agent or the Trustee will have any responsibility or obligation to any Participant for the Book-Entry System or to the Beneficial Owners with respect to the records delivered to the Authority and the Trustee in order to accomplish the delivery and registration in the names of the Beneficial Owners.

Section 305. Execution of Bonds. Each Bond shall be executed in the name and on behalf of the Authority by the manual or facsimile signature of its Chairman, Vice Chairman or Executive Director and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted or otherwise reproduced and attested by the manual or facsimile signature of its Secretary or Assistant Secretary. In the event that any officer who shall have signed, sealed or attested any of the Bonds shall cease to be such officer of the Authority before the Bonds so signed, sealed or attested shall have been authenticated and delivered by the Trustee upon original issuance, such Bonds may nevertheless be authenticated and delivered as herein provided as if the person who signed, sealed or attested such Bonds had not ceased to be such officer. Any Bonds may be signed, sealed or attested on behalf of the Authority by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of such Bond such person may not have held such office.

Section 306. Authentication of Bonds. The Bonds shall bear thereon a certificate of authentication, substantially in the form set forth in Section 1207 hereof, which shall be duly executed upon original issuance by an authorized signature of the Trustee (after such Bonds have been registered by the Registrar), and thereafter, by an authorized signature of the Registrar (except in the case of Book-Entry Bonds, other than the redemption of a portion of such Book-Entry Bonds, in which case the portion of such Book-Entry Bonds which are not redeemed shall be registered by the Registrar). Only such Bonds as shall bear such certificate of authentication thereon, and which have been duly executed, shall be entitled to any right or benefit under the terms of this Resolution. No Bond shall be valid or obligatory for any purpose unless such certificate of authentication upon such Bond shall have been duly executed by the Trustee or by the Registrar, as the case may be. The certificate of authentication upon any Bond shall be conclusive and the only evidence that the Bond so authenticated has been duly authenticated and delivered under the terms of this Resolution and that the Holder thereof is entitled to the benefit of the Resolution.

Section 307. Interchangeability of Bonds. Registered Bonds, upon surrender thereof at a designated corporate trust office of the Registrar, together with a written instrument of transfer which is satisfactory to the Registrar and which is duly executed by the Registered Owner thereof or by his attorney duly authorized in writing, accompanied by a signature guarantee, may, at the option of such Registered Owner, be exchanged for Registered Bonds of the same Series, designations, maturity and interest rate of any other of the authorized denominations. Book-Entry Bonds shall be subject to exchange upon the terms and conditions provided in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Book-Entry Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be.

Section 308. Registration of Registered Bonds and Agency Therefor. The

Authority shall cause the Registrar to maintain and keep books for the registration and transfer of the Bonds, and, upon presentation thereof for such purpose at the designated office of the Registrar, together with a written instrument of transfer which is satisfactory to the Registrar, and which is duly executed by the Registered Owner thereof or by his attorney duly authorized in writing, the Registrar shall register or cause to be registered therein, and permit to be transferred thereon or to be exchanged, under such reasonable regulations as the Registrar may prescribe, any Registered Bond which shall be entitled to registration, transfer or exchange. The Registrar is hereby appointed by the Authority to serve as its agent for such registration, transfer or exchange of Bonds. Provisions relating to the transfer and registration of Book-Entry Bonds shall be determined by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Book-Entry Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be. Notwithstanding anything contained herein to the contrary, upon the occurrence of an Event of Default requiring payment of all or any portion of the principal of and interest on the Bonds by the issuer of any Credit Facility, the Registrar shall provide the issuer of such Credit Facility and its designated agent with access to the registration books of the Authority.

Section 309. Transfer of Registered Bonds. Each Registered Bond shall be transferable only upon the registration books of the Authority at the designated office of the Registrar, by the Registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer which is satisfactory to the Registrar and which is duly executed by the Registered Owner or by such duly authorized attorney, together with a signature guarantee and such other and further documentation as the Registrar may reasonably request. Upon the transfer of such Registered Bond, the Authority shall execute, and the Registrar shall authenticate and deliver or make available for pick-up, a new Bond or Bonds (registered in the name of the transferee) of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Bond. Provisions relating to the transfer of Book-Entry Bonds shall be determined by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Book-Entry Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be.

Section 310. Ownership of Bonds and Effect of Registration. As of the Record Date, the Authority and any Fiduciary may treat and consider the person in whose name any Registered Bond is registered as the Holder and absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of, redemption premium, if any, or interest thereon and for all other purposes whatsoever, and payment of, or on account of, the principal of, redemption premium, if any, or interest on such Bond shall be made only to, or upon the order of, such Registered Owner thereof. However, such registration may be changed or discharged as provided in the Resolution. All payments which are made as provided in this Section shall be valid and effectual to satisfy and discharge the Authority's liability upon the Bonds to the extent of the sum or sums so paid.

Section 311. Re-issuance of Mutilated, Destroyed, Stolen or Lost Bonds. In case

any Outstanding Bond shall become mutilated or shall be destroyed, stolen, or lost, the Registrar shall authenticate and deliver or make available for pick-up, a new Bond of like tenor, number and amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and in substitution for such mutilated Bond and upon surrender of such mutilated Bond or in lieu of and in substitution for the Bond destroyed, stolen or lost, upon filing with the Registrar of evidence which is satisfactory to the Authority and the Registrar that such Bond has or have been destroyed, stolen or lost, and together with a signature guarantee and such other and further documentation as the Registrar may reasonably request. The owner of such Bond shall also provide the Registrar with proof of the ownership thereof, and shall furnish the Authority and the Registrar with indemnification satisfactory to them and shall comply with such other reasonable regulations, as the Authority and the Registrar may prescribe, and the owner of such Bond shall pay such expenses as the Authority and the Registrar may incur in connection therewith. In lieu of reissuing a mutilated, destroyed, lost or stolen Bond which is due and payable or which will be due and payable within sixty (60) days thereof, the Authority may pay the amount which is due on such Bond to the owner or Holder thereof, provided all of the requirements of this Section have been met.

Section 312. Regulations with Respect to Registrations, Exchanges and Transfers. In all cases in which the privilege of exchanging Bonds or transferring Registered Bonds is exercised, the Authority shall execute and the Registrar shall authenticate new Bonds in accordance with the provisions of the Resolution. For every registration, exchange or transfer of Bonds, the Authority or the Registrar, as the case may be, may charge a sum which is sufficient to reimburse them for any tax or other governmental charge or other fees which are required to be paid, which sum, if not otherwise provided for, shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of effecting such registration, exchange or transfer. During the fifteen days next preceding any interest payment date of the Bonds, or in the case of any proposed redemption of Bonds, subsequent to the date next preceding the date of the first publication or mailing of notice of such redemption, neither the Authority nor the Registrar shall be required to make any registration, transfer or exchange of any Bonds under the provisions of this Article. The Registrar shall, if requested by the Authority, deliver to the Authority a statement of all Bonds issued in lieu of or in substitution for other Bonds pursuant to the terms of this Article, including a report of the description and disposition of such other Bonds.

Section 313. No Recourse on Bonds. No recourse shall be had for the payment of the principal of, redemption premium, if any, or the interest on the Bonds or for any claim based thereon or on this Resolution against any member or officer of the Authority or any person executing the Bonds, including the Trustee or the Registrar, as the case may be.

Section 314. Temporary Bonds. Until Bonds in definitive form are ready for delivery, the Authority may execute, and upon its written request, the Trustee upon original issuance, and thereafter the Registrar, shall authenticate and deliver one or more printed, lithographed or typewritten Bonds in temporary form, substantially of the tenor of the Bonds hereinbefore described, together with any appropriate omissions, variations and insertions. Such

Bond or Bonds in temporary form shall be in such authorized denominations as the Authority may determine. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit of the Resolution. The Authority shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form, the Registrar shall authenticate and deliver, in exchange therefor, a Bond or Bonds in definitive form in authorized denominations of the same maturity and for the same aggregate principal amount as the surrendered Bond or Bonds in temporary form. Such exchange shall be made by the Authority without making any charge therefor except that the Authority may require payment of a sum which is sufficient to cover any tax or other governmental charge that may be imposed upon it in connection therewith.

Section 315. Issuance of Each Series of Bonds and Disbursement of Proceeds of Sale and Other Funds. Upon execution by the Authority, any Series of Bonds authorized to be issued under Section 301 hereof shall be delivered to the Trustee for authentication by the Trustee upon original issuance, and thereupon the Bonds shall be authenticated by the Trustee. Upon fulfillment of the conditions hereinafter set forth, the Bonds shall be delivered by the Trustee to the Authority or upon its order. The proceeds which are derived from the sale of each Series of Bonds, including accrued interest thereon, together with other funds, if any, which are held by the Authority and which are not pledged or otherwise committed for a specific purpose, shall simultaneously with the issuance of each such Series of Bonds, be paid by the Authority as follows:

(a) To the Trustee, to be deposited in the Bond Service Fund, a sum equal to the accrued interest, if any, on the Series of Bonds from the date of the Bonds to the date of delivery thereof, and the amount, equal to capitalized interest, if any, on the Series of Bonds, as reflected in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Series of Bonds, or, as shall be determined by a Certificate of Authority Officer, as the case may be;

(b) To the Trustee, to be deposited in the Project Fund, (i) the amount which is estimated to be necessary to pay the Costs and expenses incurred or to be incurred by the Authority in connection with the issuance and delivery of the Series of Bonds, and (ii) the amounts remaining after deducting the amounts referred to in subparagraphs (a), (c) and (d) have been made;

(c) To the Trustee, to be deposited in the Bond Reserve Fund, either an amount which is required to be so deposited so that the amount on deposit therein equals the Bond Reserve Requirement or a Bond Reserve Credit Facility having a stated amount which (together with any proceeds so deposited) is required to be so deposited so that the amount on deposit therein equals the Bond Reserve Requirement; and

(d) If any Series of Bonds are secured by a Credit Facility and/or a Liquidity Facility, to the issuer of such Credit Facility, the amount which is due and payable for or with respect to the issuance of such Credit Facility and/or Liquidity Facility.

In the event that any Series of Bonds shall be issued as Variable Rate Bonds, the Supplemental Resolution of the Authority or Certificate of Authority Officer authorizing the issuance of such Variable Rate Bonds shall also set forth any additional provisions with respect to the application of such proceeds in connection with the issuance of such Variable Rate Bonds.

In the event that any Series of Bonds are issued which pay interest on dates which are different from the established interest payment dates of Outstanding Bonds, there shall be no requirement that, on any interest payment date of any Bond, the Trustee establish reserves for the benefit of the Holder of any Bond on which interest is not being then paid unless otherwise required under the terms of the Resolution, the terms of any Supplemental Resolution of the Authority or the terms of a Certificate of Authority Officer.

Section 316. Conditions Precedent to Issuance of Each Series of Bonds. (1) The Trustee shall not deliver to the Authority, or upon its order, any Bonds pursuant to the terms of the Resolution unless theretofore or simultaneously therewith there shall have been delivered or paid to the Trustee the following:

(a) A copy of the General Bond Resolution, certified by the Secretary or Assistant Secretary of the Authority;

(b) A copy of the Supplemental Resolution of the Authority, if any, certified by the Secretary or Assistant Secretary of the Authority fixing the rate or rates of interest or the maximum rates of interest on such Series of Bonds and all other terms and provisions of such Series of Bonds which are not fixed by the terms of the General Bond Resolution and a copy of each amending resolution of the Authority, if any, which has been duly adopted prior to the authentication and delivery of such Series of Bonds pursuant to and in accordance with the provisions of Section 801 hereof, each certified by the Secretary or Assistant Secretary of the Authority;

(c) A copy of the Certificate of Authority Officer, if any, duly executed in connection with the sale of the Bonds, as provided in Sections 302 and 303 hereof;

(d) The written order of the Authority as to the delivery of the Series of Bonds, signed by an Authorized Authority Representative and stating the amount of the proceeds which have been derived from the sale of the Bonds;

(e) An opinion of Bond Counsel stating, in the opinion of the signer, that (i) the General Bond Resolution, each Supplemental Resolution referred to in subparagraph (b) above and each Certificate of Authority Officer referred to in subparagraph (c) above have been duly and lawfully adopted, or executed, as applicable, by the Authority or executed by an Authorized Authority Representative, as the case may be, are each in full force and effect and are valid and binding on the Authority, the Trustee and the Holders of the Series of Bonds in accordance with

their respective terms, and that all conditions precedent to the authentication of such Series of Bonds by the Trustee upon original issuance have been satisfied and that the Trustee may lawfully authenticate such Series of Bonds; (ii) the Resolution creates the valid pledge which it purports to create of the Revenues, moneys, securities and funds which are held or set aside pursuant to the terms of the Resolution and to the extent provided in Section 502 hereof, subject to the application thereof to the purposes and on the conditions permitted by the terms of the Resolution for repayment of such Bonds; and (iii) the Bonds of such Series are valid and binding obligations of the Authority, as provided in the Resolution, and are entitled to the benefits of the Resolution and of the Act, and that such Bonds have been duly and validly authorized and issued in accordance with law, including the Act, and in accordance with the terms of the Resolution; provided however, that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors' rights generally;

(f) A copy of the Agreement;

(g) A Counsel's Opinion, stating, in the opinion of the signer, that (i) the Authority has the right and power under the Act and other applicable law to enter into the Agreement; (ii) the execution of the Agreement has been duly and lawfully authorized by the Authority; and (iii) the Agreement has been duly and lawfully executed by the Authority, is in full force and effect, is valid and binding upon the Authority and is enforceable in accordance with its terms; provided however, that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors' rights generally;

(h) A Counsel's Opinion of counsel to the Township, stating, in the opinion of the signer, that (i) the Township has the right and power to enter into the Agreement; (ii) the execution of the Agreement has been duly and lawfully authorized by the Township; and (iii) the Agreement has been duly and lawfully executed by the Township, is in full force and effect, is valid and binding upon the Township and is enforceable in accordance with its terms; provided however, that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, or other laws affecting creditors' rights generally;

(i) The amounts or instruments which are required to be delivered to the Trustee pursuant to the terms of Section 315 hereof;

(j) If any Series of Bonds are entitled to the benefits of a Credit Facility and/or a Liquidity Facility, the original of such Credit Facility and/or Liquidity Facility issued with respect to such Series of Bonds;

(k) If such Series of Bonds are entitled to the benefits of a Credit Facility or Liquidity Facility, an opinion of counsel to any issuer of a Credit Facility or issuer of a Liquidity Facility, stating, in the opinion of the signer, that such Credit Facility or Liquidity Facility, as the

case may be, constitutes the legal, valid and binding obligation of the issuer of such Credit Facility or Liquidity Facility, as the case may be, and is enforceable in accordance with its terms; provided however, that, such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, or other laws effecting creditors' rights generally;

(l) A Certificate of Authority Officer setting forth (1) the aggregate principal amount of Bonds which are issued on the date of such Certificate, (2) the aggregate principal amount of each Series of Bonds, if any, issued by the Authority prior to the date of such Certificate and including the date each such Series of Bonds was issued, and (3) that no default has occurred and is continuing under the terms of the Resolution and the Agreement;

(m) With respect to the issuance of any Bonds which are issued as Variable Rate Bonds, such other documents as may be required by the terms of a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Bonds, or, as may be required by a Certificate of Authority Officer executed in connection with the sale of such Series of Bonds;

(n) A Certificate of Authority Officer setting forth a listing of any additional documents which are required to be executed and delivered pursuant to the terms of any contract which is executed by or on behalf of the Authority in connection with the sale of such Series of Bonds;

(o) Each of the documents which are set forth in the Certificate of Authority Officer described in paragraph (n) above, unless waived by the purchaser of such Series of Bonds;

(p) In the event that such Series of Bonds are issued as Tax-Exempt Obligations, an opinion of Bond Counsel to the effect that the interest on such Series of Bonds is not includable as gross income under the provisions of the Code and the State Gross Income Tax Act;

(q) A certified copy of the Township lease authorization ordinance along with duly certified copies of the authorization proceedings related thereto;

(2) The Authority shall not be required to liquidate any securities then held by it for the purpose of payment of the aforementioned amounts to the Trustee, and the Trustee shall be authorized and directed to accept any such securities in whole or in part as funds delivered under authority of this Section provided that such securities would constitute Investment Obligations under the provisions of the Resolution applicable to the fund or account into which such securities are deposited; provided however, that in such event, the Trustee shall receive an opinion of Bond Counsel to the effect that such actions will not, in and of itself, cause the interest on any Outstanding Bonds issued as Tax-Exempt Obligations to be includable in gross income for federal tax purposes.

Section 317. Purposes, Authorization and Description of Additional Bonds. (1) After the execution, authentication and delivery of the Bonds, Additional Bonds of the Authority may be authorized to be issued pursuant to and in accordance with the terms of the Act either (a) for the purpose of raising funds to pay the Cost of the Project, (b) for the purpose of refunding any Bonds, (c) or for the purpose of financing an Additional Project.

(2) Any Series of Additional Bonds of the Authority shall be issued only after authorization thereof by a Supplemental Resolution of the Authority duly adopted prior to their authentication and delivery upon original issuance. Such Supplemental Resolution shall state the purpose or purposes for which such Additional Bonds are being issued, shall direct the application of the proceeds which are to be derived from the sale thereof to such purpose or purposes, and shall direct the execution and authentication thereof. Such Supplemental Resolution shall fix and determine or authorize an Authorized Authority Officer to execute a Certificate of Authority Officer which shall fix and determine the date, principal amount, denominations, designation and numbers thereof, the rate or rates of interest or maximum rate of interest to be borne thereby, the place or places of payment therefor, the redemption privileges of the Authority, if any, with respect thereto, the amount and date of each Sinking Fund Installment for the retirement of any Term Bonds, and any other provisions thereof, all in accordance with the terms of the Resolution. Upon such authorization, such Additional Bonds may upon original issuance, at one time, or from time to time, be executed by or on behalf of the Authority and delivered to the Trustee for authentication by the Trustee, as provided in the Resolution, and thereafter such Additional Bonds shall be authenticated by the Trustee upon original issuance and, upon fulfillment of the applicable conditions set forth in Section 318 hereof, shall be delivered by the Trustee to the Authority, or upon its order.

(3) All Additional Bonds shall be substantially in the form and tenor of Bonds, as provided in Section 303 and Section 1207 hereof, except that, notwithstanding any other provision contained in the Resolution to the contrary, such Additional Bonds shall be issued in such principal amounts, shall be of such denominations, shall bear such dated date and such maturity date or dates, shall bear such designation as to Series, numbers or symbols prefixed to their number distinguishing them from each other Bond, and shall be subject to redemption prior to maturity on such terms and conditions which are consistent with the provisions of the Resolution, and shall bear interest from such date at such rate or such different or varying rates of interest per annum and shall be payable at such times as may be fixed by the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds or by a Certificate of Authority Officer that was authorized to be signed by the Supplemental Resolution of Authority authorizing the issuance of such Additional Bonds.

(4) All Additional Bonds which are authorized by a Supplemental Resolution of the Authority shall constitute Bonds of a single or multiple Series, as specifically provided in such Supplemental Resolution. No bonds shall constitute Additional Bonds unless they are authenticated by the Trustee upon original issuance, and thereafter by the Registrar (except as provided herein with reference to Book-Entry Bonds), as provided in the Resolution, nor shall

such Additional Bonds be entitled to any right or benefit under the Resolution unless they are so authenticated, and no Additional Bond shall be valid and obligatory for any purpose of the Resolution unless said Additional Bond shall have been so authenticated.

(5) After their authentication and delivery by the Trustee upon original issuance, Additional Bonds of a particular Series shall for all purposes hereof be deemed to constitute Bonds under this Resolution and shall be on parity with all Bonds issued pursuant to this Resolution and shall be entitled to the pledge of the Revenues and other moneys, securities and funds provided by the Resolution and by Supplemental Resolution of the Authority or by a Certificate of Authority Officer that was authorized to be signed by the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds and such Additional Bonds shall be entitled to the security and benefit of such pledge and of the provisions of this Resolution.

(6) If Additional Bonds are issued which pay interest on dates which are different from the established Interest Payment Dates of Outstanding Bonds, there shall be no requirement that, on an Interest Payment Date of any Bond, the Trustee establish reserves for the benefit of the Holder of any Bond on which interest is not being then paid, unless otherwise required under the terms of the Resolution or the terms of any Supplemental Resolution of the Authority.

Section 318. Conditions Precedent to Issuance of Additional Bonds. (1) The Trustee shall not authenticate or deliver upon original issuance any Additional Bonds to the Authority, or upon its order, unless theretofore or simultaneously therewith there shall have been delivered or paid to the Trustee, among other things, in addition to the documents or amounts required to be delivered pursuant to the provisions of Section 316 hereof (except to the extent otherwise provided in this Section 318) the following:

(a) A copy of the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds, stating the purpose or purposes for the issuance of such Additional Bonds and otherwise conforming with the provisions of Section 317 hereof, and if such Additional Bonds are authorized for any purpose other than the refunding of Bonds, such Supplemental Resolution shall describe in brief and general terms the additional agreements to be financed by the issuance of such Additional Bonds, each certified by the Secretary or Assistant Secretary of the Authority;

(b) A copy of the Supplemental Resolution which has been duly adopted by the Authority or Certificate of Authority Officer that was authorized to be signed by a Supplemental Resolution, as the case may be, fixing the rate or rates of interest on such Additional Bonds and all other terms and provisions thereof which are not fixed by the Supplemental Resolution referred to in subparagraph (a) above, or in the Resolution, if any, certified by the Secretary or Assistant Secretary of the Authority;

(c) The written order of the Authority as to the delivery of such Additional

Bonds, signed by an Authorized Authority Representative and stating, among other things, (1) the amount of the proceeds derived from the sale of such Additional Bonds, (2) the amount, if any, of such proceeds which will be paid by the Authority to the Trustee for deposit in the Bond Service Fund, and (3) the amount, if any, or the delivery of a Bond Reserve Credit Facility, or any combination of the foregoing, which in any case, is required to be deposited in the Bond Reserve Fund so that the amount in such fund equals the Bond Reserve Requirement immediately after the authentication and delivery of such Additional Bonds;

(d) The amount, if any, which is stated in said written order as the amount of such proceeds which will be paid by the Authority to the Trustee for deposit in the Bond Service Fund, which amount shall be deposited by the Trustee in the Bond Service Fund and held therein;

(e) The amount, if any, which is stated in said written order as the amount of such proceeds which will be paid by the Authority to the Trustee for deposit in the Bond Reserve Fund, which amount shall be deposited by the Trustee in the Bond Reserve Fund and held therein, or a Bond Reserve Credit Facility in an amount which satisfies the requirement of paragraph (c)(3) above;

(f) The amount of such proceeds which will remain after deducting the amount, if any, paid to the Trustee in accordance with the terms of subparagraphs (d) and (e) above, as applicable to such Series of Bonds, which amount shall be paid to the Trustee and applied in accordance with the provisions of paragraph (2) or paragraph (3) of Section 317;

(g) An opinion of Bond Counsel approving the form of the Supplemental Resolution authorizing the issuance of the Additional Bonds and stating (1) that such Bonds are authorized to be issued for a purpose referred to in Section 317(1) hereof, (2) that its terms and provisions conform to the requirements of the Act and the Resolution, (3) that the written order, certificates and amounts of money which are delivered or paid to the Trustee in accordance with the provisions of this Section 318 constitute compliance with the conditions hereinabove stated for the authentication and delivery of such Additional Bonds, (4) that all of the conditions precedent to the authentication and delivery of the Additional Bonds have been satisfied and that the Trustee may lawfully authenticate the Additional Bonds upon original issuance, and (5) that upon the execution, authentication and delivery of the Additional Bonds, all Revenues thereafter to be derived will be pledged under and subject to the lien and the pledge created by the Resolution free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto, except to the extent specifically provided herein;

(h) If the Additional Bonds are entitled to the benefits of a Credit Facility and/or Liquidity Facility, the original of such Credit Facility and/or Liquidity Facility issued with respect to such Additional Bonds, together with the amount of any premium or fee which is due and payable upon delivery of the Additional Bonds with respect to such Credit Facility and/or Liquidity Facility from the proceeds derived from the sale of such Additional Bonds;

(i) If such Series of Additional Bonds are entitled to the benefits of a Credit Facility or Liquidity Facility, an opinion of counsel to any issuer of a Credit Facility or issuer of a Liquidity Facility, stating, in the opinion of the signer, that such Credit Facility or Liquidity Facility, as the case may be, constitutes the legal, valid and binding obligation of such issuer of the Credit Facility or issuer of the Liquidity Facility, as the case may be, and is enforceable in accordance with its terms; provided however, that, such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization, or other laws effecting creditors' rights generally;

(j) With respect to the issuance of any Additional Bonds which are issued as Variable Rate Bonds, such other documents as may be required by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Additional Bonds upon original issuance or a Certificate of Authority Officer authorized to be executed by such Supplemental Resolution executed prior to or simultaneously with delivery of the Additional Bonds upon original issuance;

(k) A Certificate of Authority Officer setting forth a listing of any additional documents which are required to be executed and delivered pursuant to the terms of any contract which is executed by or on behalf of the Authority in connection with the sale of the Additional Bonds;

(l) Each of the documents which are set forth in the Certificate of Authority Officer described in paragraph (k) above, unless waived by the purchaser of such Additional Bonds;

(m) Such other documents as may be required by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Additional Bonds upon original issuance; and

(n) (1) In the event that such Additional Bonds are issued as Tax-Exempt Obligations, an opinion of Bond Counsel stating that the interest on such Additional Bonds is not includable as gross income under the provisions of the Code and that the issuance of such Additional Bonds will not cause the interest on any Outstanding Bonds which were issued as Tax-Exempt Obligations to be includable as gross income under the provisions of the Code.

(2) If such Additional Bonds are authorized for the purpose which is described in clause (a) or (c) of paragraph (1) of Section 317 hereof, the Trustee shall deposit the proceeds which are derived from the sale thereof which are referred to in subparagraph (f) of paragraph (1) of this Section in the Project Fund, and the moneys so deposited shall be applied by the Authority and by the Trustee to pay the Cost of the Project, construction or improvement which is described in the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds.

(3) If such Additional Bonds are authorized for the purpose which is

described in clause (b) of paragraph (1) of Section 317 hereof, the Trustee shall apply the remaining proceeds which are derived from the sale thereof and which are referred to in subparagraph (f) of paragraph (1) of this Section as follows: (a) an amount as is set forth in a Certificate of Authority Officer which is sufficient to pay the costs incurred in connection with the authorization, issuance and delivery of such Additional Bonds shall be deposited in the Project Fund, and (b) the remaining amounts shall be applied to the refunding of such Bonds in accordance with the terms of the Supplemental Resolution of the Authority authorizing the issuance of such Additional Bonds or the Certificate of Authority Officer authorized to be executed by such Supplemental Resolution relating to the issuance of such Additional Bonds.

(4) In the event that such Additional Bonds are entitled to the benefit of a Credit Facility, any additional conditions precedent to the issuance of such Additional Bonds which are required under the terms of such Credit Facility shall be determined by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Additional Bonds or Certificate of Authority Officer authorized to be executed by such Supplemental Resolution and executed prior to or simultaneously with the authentication and delivery of such Additional Bonds.

ARTICLE IV

Project Fund

Section 401. Establishment of Project Fund. The Authority hereby establishes and creates a special fund, designated the "Project Fund" which shall be held by the Trustee and in which may be deposited any moneys which are received by the Authority from any source for payment of Costs of the Project or the proceeds (or any portion thereof) derived from the issuance of any Bonds. Amounts which are deposited in the Project Fund shall be held by the Trustee in trust and shall be applied (in accordance with and subject to the limitations of this Article) to pay Costs of the Project, and such moneys are hereby pledged, pending application to the payment of such Costs, to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds and such moneys shall at all times be subject to the lien of such pledge. Notwithstanding anything above to the contrary, the Trustee may from time to time establish subaccounts within any account which is created with respect to the Project or Additional Project.

Section 402. Purpose of the Project Fund. The Trustee shall make payment from the Project Fund for payment of Costs of the Project in accordance with, and upon satisfaction of the terms of this Article. All payments from the Project Fund shall be subject to the provisions and restrictions set forth in this Article and the Authority shall not cause or permit to be paid from the Project Fund any sums except in accordance with such provisions and restrictions.

Section 403. Payments from Project Fund. (1) Upon execution of the Agreement, or the issuance of Additional Bonds for an Additional Project, and upon receipt of a Certificate of Authority Officer requesting payment, the Trustee shall make payment from the Project Fund in the full amount of the Costs of the Project. Such Certificate of Authority Officer shall indicate, among other things, the amount of the payment requested and that all other terms and conditions of the Agreement have been satisfied by the Authority, or such other agreement relative to such Additional Project, as the case may be.

Section 404. Interim Investment of Project Fund. Any moneys which are held in the Project Fund (or in any subaccount created and established pursuant to the provisions of Section 401 hereof) shall be invested by the Trustee, at the oral direction of an Authorized Authority Representative (promptly confirmed in writing), in Investment Obligations; provided however, that the maturity of every such Investment Obligation shall not be later than the time when such funds are needed to be applied to pay debt service on the Bonds. Unless otherwise determined by a Certificate of Authority Officer, investment income shall be held in the Project Fund and applied in accordance with the terms of Article IV and Section 1206 hereof.

Section 405. Disposition of Balance in Project Fund. (a) The Trustee, when directed in writing by an Authorized Authority Representative, shall apply the balance which is on deposit in the Project Fund as provided in, and upon the terms and conditions set forth herein.

(b) Upon receipt of a Certificate of Authority Officer, the Trustee shall apply the balance in the Project Fund, in excess of the amount stated in the certificate referred to in subparagraph (a) above, to either (1) payment of the principal of or interest on the Bonds, (2) payment of any Sinking Fund Installment of any Series of Bonds issued for or with respect to the Agreement, (3) payment of the Redemption Price of any Bonds, all in accordance with the Certificate of Authority Officer, or (4) any other costs which, in the opinion of Bond Counsel, will not in and of itself cause the interest on any Bonds issued as Tax-Exempt Obligations to be included in gross income for purposes of the Code.

ARTICLE V

Revenues and Funds

Section 501. Establishment of Funds. (1) In addition to the Project Fund, the Authority hereby establishes and creates the following special funds:

(a) Revenue Fund;

(b) Bond Service Fund;

(c) Sinking Fund;

(d) Bond Reserve Fund;

(e) Operating Fund;

(f) General Fund; and

(g) Rebate Fund.

(2) Each of said funds shall be held by the Trustee.

(3) Other funds or accounts may be created by Supplemental Resolution of the Authority duly adopted by the Authority or by a Certificate of Authority Officer duly authorized to be executed by a Supplemental Resolution, duly executed prior to the authentication and delivery of a particular Series of Bonds upon original issuance; provided however, that prior to the creation of any such fund or account, the Authority shall deliver a written opinion of Bond Counsel to the Authority stating that, in the opinion of such firm, the creation of such fund or account will not adversely affect the rights of existing Bondholders.

Section 502. Pledge Securing Bonds. (a) The Bonds of each Series are hereby separately and individually secured by (i) the Revenues available for such Series of Bonds (except such moneys that are required to be rebated to the United States government pursuant to the provisions of the Code in order to insure that interest on any Bonds which are issued as Tax-Exempt Obligations continues to be excludable from gross income under the Code), and (ii) all moneys, securities and funds which are held or set aside or which are to be held or set aside with respect to any Series of Bonds pursuant to the terms of the Resolution or Supplemental Resolution or which are held in any funds or accounts which are established and created under Sections 401 and 501 hereof or by the terms of any Supplemental Resolution, for each Series of Bonds and into which shall be deposited Revenues (other than amounts which are on deposit in the Rebate Fund).

(b) Intentionally omitted.

(c) In the event that any Credit Facility or Liquidity Facility is provided with respect to any Series of Bonds, any moneys which are made available under the terms of such Credit Facility or Liquidity Facility are pledged solely to secure the payment of the principal of and interest on the Bonds and shall not be available for any other purpose under the Resolution. Upon receipt of any such moneys by the Trustee, such moneys shall be deposited in the Bond Service Fund and applied in accordance with the provisions of Section 505 hereof.

(d) This pledge shall be valid and binding from and after the date of the first delivery by the Trustee of the first Bond which is authenticated and delivered under the terms of the Resolution. The Revenues and other moneys, securities and funds which are so pledged for each Series of Bonds and which are thereafter received by the Authority, and any other moneys hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act. The lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations issued by the Authority and all other liabilities of the Authority. The lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof.

Section 503. Deposit of Revenues and Other Payments. (1) From and after the authentication and delivery of the first Bond to be so authenticated and delivered under the terms of the Resolution, all Revenues shall upon receipt be deposited by the Trustee into the Revenue Fund. The Trustee shall be accountable only for moneys which are actually so deposited.

(2) Any moneys which are held in the Revenue Fund shall be invested, at the oral direction of an Authorized Authority Representative (promptly confirmed in writing), by the Trustee in Investment Obligations; provided however, that the maturity of every such Investment Obligation shall not be later than the first Business Day next preceding the Withdrawal Date.

Section 504. Periodic Withdrawals From Revenue Fund. Except as set forth above, from time to time as moneys are received in the Revenue Fund, the Trustee shall make payments from moneys on deposit in the Revenue Fund into the following several funds or accounts, but as to each such fund or account only within the limitation herein below indicated with respect thereto and only after maximum payment within such limitation into every such fund previously mentioned in the following tabulation:

First: Into the Bond Service Fund, to the extent, if any, needed to increase the amount which is on deposit in the Bond Service Fund relating to each Series of Bonds, until the amount on deposit equals the Bond Service Requirement with respect to such Series of Bonds;

Second: Into the Sinking Fund, to the extent, if any, needed to increase the amount which is on deposit in the Sinking Fund until the amount on deposit equals the Sinking Fund Requirement with respect to such Series of Bonds;

Third: Into the Bond Reserve Fund, to the extent, if any, needed to increase the amount which is on deposit in the Bond Reserve Fund until the amount on deposit equals the Bond Reserve Requirement;

Fourth: Into the Operating Fund, to the extent, if any, needed to increase the amount which is on deposit in the Operating Fund until the amount on deposit equals the Operating Fund Requirement; and

Fifty: Into the General Fund, to the extent any funds are available.

Section 505. Application, Investment and Restoration of Bond Service Fund. (1) Unless otherwise provided in a Supplemental Resolution or Certificate of Authority Officer authorized to be signed by such Supplemental Resolution authorizing the issuance of such Bonds, immediately prior to each Interest Payment Date of the Bonds, the Trustee shall withdraw from the Bond Service Fund an amount which is equal to the interest which is due and payable on the Bonds on such Interest Payment Date, and shall cause the same to be deposited with the Paying Agent who shall apply the same to the payment of said interest when due.

(2) Unless otherwise provided in a Supplemental Resolution authorizing the issuance of such Bonds, if the withdrawals which are required to be made under the provisions of paragraph (1) of this Section with respect to the same and every prior date shall have been made, the Trustee shall withdraw from the Bond Service Fund, prior to each Principal Installment Date of the Bonds, an amount which is equal to the Principal Installment of Bonds, if any, maturing on said day, and shall cause the same to be deposited with the Paying Agent who shall apply such amounts to the payment of the principal of said Bonds when due.

(3) If the withdrawals which are required to be made under the provisions of paragraph (1) and paragraph (2) of this Section with respect to the same and every prior date shall have been made, the Trustee shall withdraw from time to time from the Bond Service Fund and pay into any account which is maintained in the Sinking Fund the amount which is sufficient to reimburse said account for any Sinking Fund Installment paid from said account and accrued interest on said Bonds which have been purchased in accordance with the provisions of Section 506 hereof.

(4) If at any time there shall not be a sufficient amount on deposit in the Bond Service Fund to provide for any withdrawal therefrom which is required to be made under the provisions of paragraphs (1), (2) or (3) of this Section in order to pay any Series of Bonds, the Trustee shall, on or prior to the date on which payment from the Bond Service Fund is required to be made, withdraw an amount which is sufficient to make up such deficiency from the Bond Reserve Fund and shall deposit same into the Bond Service Fund.

(5) If, on the Payment Verification Date, the available funds on deposit in the Bond Service Fund and the Bond Reserve Fund are insufficient to provide for the amounts due and

payable thereon, the Trustee shall notify the Authority and the Township in writing no later than 3:00 p.m. on the second Business Day after the Payment Verification Date of the amount which is necessary to provide for the full payment of the amounts due and payable on the Payment Date. The Trustee shall demand that the Township pay the deficiency fifteen (15) days prior to such Payment Date.

(6) Any moneys which are on deposit in the Bond Service Fund shall be invested, at the oral direction of an Authorized Authority Representative (promptly confirmed in writing), by the Trustee in Investment Obligations; provided however, that the maturity of every such Investment Obligation shall not be later than the time when such funds are needed to be applied to pay the interest on or the principal of any Bonds. Any investment income which is derived from the investment of moneys which are on deposit in the Bond Service Fund shall remain in the Bond Service Fund; provided however, that, prior to the full payment of Rental Payments on the Agreement, upon written request of an Authorized Authority Representative, investment income which is derived from the investment of moneys which represent capitalized interest on Bonds and which were deposited in the Bond Service Fund from the proceeds derived from the sale of any Bonds shall be deposited in the Project Fund.

(7) No amount shall be withdrawn from or paid out of the Bond Service Fund except as expressly provided in this Section or Section 1005.

Section 506. Application, Investment and Restoration of Sinking Fund. (1) The Trustee shall establish and shall maintain in the Sinking Fund a separate account for each Series of Term Bonds for which Sinking Fund Installments are established in accordance with the terms of the Resolution. Moneys which are paid into the accounts in the Sinking Fund in any Fiscal Year relating to any Series of Bonds pursuant to the terms of Section 504 hereof shall, upon receipt, be segregated and shall be set aside in such accounts in proportion to the respective amounts of the Sinking Fund Installments which are payable during such Fiscal Year with respect to the particular Term Bonds for such Series of Bonds for which each such account is maintained. Moneys which are paid into any accounts within the Sinking Fund with respect to each Series of Bonds pursuant to the terms of Section 505 hereof shall, upon receipt, be set aside in the account which is maintained therein with respect to which such payment is a reimbursement. Moneys which are paid into any account within the Sinking Fund established for each Series of Bonds pursuant to the terms of subparagraph (2) of this Section on account of any particular Sinking Fund Installment shall be set aside in the account which is maintained therein for the particular Term Bonds which are entitled to said Sinking Fund Installment. All other moneys which are paid into the Sinking Fund shall, upon receipt, be segregated and set aside by the Trustee in such accounts in proportion to the respective principal amount of Term Bonds for which each such account is maintained for each Series of Bonds.

(2) If on the date established for the payment of any Sinking Fund Installment for the Bonds, the full amount of all Sinking Fund Installments which are payable on such date shall not have been paid into the Sinking Fund pursuant to the terms of Section 504 hereof, the Trustee shall withdraw from the Bond Reserve Fund and shall pay into the Sinking Fund on account of

such Sinking Fund Installments, the amount which was not previously paid into the Sinking Fund.

(3) If at any time there shall not be a sufficient amount in the Sinking Fund to provide for any withdrawal therefrom required under the provisions of Section 506 (1) or (2) the Trustee shall withdraw from the Bond Reserve Fund, and shall pay into the Sinking Fund the amount sufficient to make up such deficiency therein. Such withdrawal shall be paid (a) first from cash on deposit in the Bond Reserve Fund and (b) second from the Bond Reserve Credit Facility, if any, provided that the Trustee shall give notice to the provider of such Bond Reserve Credit Facility as may be required to insure that the amounts, if any, to be drawn shall be available to make the required withdrawals from the Sinking Fund.

(4) If, on the Payment Verification Date, the available funds on deposit in the Sinking Fund are insufficient to provide for the amounts due and payable thereon, the Trustee shall notify the Authority, the Township and the County in writing no later than 3:00 p.m. on the second Business Day after the Payment Verification Date of the amount which is necessary to provide for the full payment of the amounts due and payable on the Payment Date. The Trustee shall demand that the Township pay the deficiency fifteen (15) days prior to such Payment Date. The Trustee and the Authority shall cooperate with the requests of the County to secure payment from the Township on the Agreement.

(5) The Trustee shall apply the moneys in any account which has been established in the Sinking Fund, as provided in subparagraph (1) of this Section, to the purchase or the redemption of the Bonds for which such account is maintained, in the manner provided in this Section, or to the payment of the principal thereof at maturity, as the case may be. If on any date there shall be moneys in any such account and none of the Term Bonds for which such account was established shall be Outstanding, said account shall be closed and the moneys which are on deposit therein shall (upon the written direction of the Authority) be withdrawn therefrom by the Trustee and (a) shall be segregated and set aside in the other accounts in the Sinking Fund as if and with the same effect as if paid into the Sinking Fund by the Authority on said date pursuant to the terms of Section 504 hereof, or (b) if no other accounts shall be maintained in the Sinking Fund, such amount shall be paid into the Revenue Fund.

(6) The purchase price which shall be paid by the Trustee (excluding accrued interest but including any brokerage and other charges) for any Bond which shall be purchased pursuant to the terms of this Section shall not exceed the Redemption Price of such Bond which is applicable upon its redemption through the application of the moneys which are available for such purpose on the next date on which such Bond could be redeemed in accordance with its terms by operation of the Sinking Fund. Subject to the limitations hereinbefore set forth or referred to in this Section, at the written direction of the Authority, the Trustee shall purchase Bonds at such times, for such prices, in such amounts and in such manner (whether after advertisement for tenders or otherwise) as the Trustee in its sole discretion may determine and as may be possible with the amount of moneys which are available therefor in the Sinking Fund. The principal amount of the Bonds so purchased may be applied by the Trustee (at the written

direction of the Authority) toward satisfaction of the Sinking Fund Installment which is due in the current or any future Fiscal Year.

(7) As soon as practicable after the sixtieth day and before the thirtieth day prior to the date of each Sinking Fund Installment, the Trustee shall select for redemption on such Sinking Fund Installment due date such amount of Term Bonds of the Series for which the Sinking Fund Installment was established as will exhaust all moneys which are required to have been deposited in the Sinking Fund as of such Sinking Fund Installment due date. Accrued interest on the Bonds which are to be redeemed shall be paid from the Bond Service Fund and all expenses which are incurred by the Trustee in connection with such redemption shall be paid from the Revenue Fund or the General Fund. Unless otherwise provided in a Supplemental Resolution authorizing the issuance of such Bonds, all Bonds which are redeemed under the provisions of this Section shall be redeemed in the manner provided in Article VII of this Resolution, and prior to the date fixed for redemption the Trustee shall withdraw from the Sinking Fund the amount of the Redemption Price of such Bonds, and such amount shall be transferred to the Paying Agent by the Trustee and such amount shall be applied by the Paying Agent to the redemption of such Bonds on the date fixed for redemption.

(8) Investment income which is derived from the investment of any funds which are held in any account or subaccount within the Sinking Fund shall be deposited by the Trustee, upon receipt, in the Revenue Fund.

(9) Any moneys which are on deposit in the Sinking Fund shall be invested at the oral direction of an Authorized Authority Representative (promptly confirmed in writing), in Investment Obligations; provided however, that the maturity of every such Investment Obligation, other than moneys which are invested pursuant to paragraph (7) above, shall not be later than the time when such funds are needed for the purposes of the Sinking Fund.

(10) No amount, if any, shall be withdrawn from or paid out of the Sinking Fund except as expressly provided in this Section or Section 1005 hereof.

Section 507. Application and Investment of Bond Reserve Fund. (1) If, on the Payment Verification Date, the available funds on deposit in the Bond Service Fund are insufficient to provide for the amounts due and payable on the Payment Date, the Trustee shall transfer such amounts from the Bond Reserve Fund to the Bond Service Fund. If, on such Payment Verification Date the available funds on deposit in the Bond Reserve Fund are insufficient to provide for the amounts due and payable on the Payment Date and are in an amount less than the Bond Reserve Requirement, the Trustee shall notify the Authority and the Township in writing no later than 3:00 p.m. on the second Business Day after the Payment Verification Date of the amount which is necessary to provide for the full payment of the amounts due and payable on the Payment Date. The Trustee shall demand that the Township pay the deficiency fifteen (15) days prior to such Payment Date.

(2) If on any Interest Payment Date, (a) the amount which is on deposit in the Bond

Service Fund equals or exceeds any unpaid interest which is then due and payable on Outstanding Bonds, plus the interest, if any, to become due on Outstanding Bonds on or before the next succeeding Interest Payment Date, plus the principal installment of any Outstanding Bonds which have matured and which remain unpaid, plus the principal installment of Outstanding Bonds, if any, maturing at or before the next succeeding Principal Installment Date of the Bonds, and (b) all withdrawals or payments from the Bond Reserve Fund which are required to be made by any other provision of the Resolution shall have been made, the Trustee shall withdraw from the Bond Reserve Fund the amount of any excess therein over the Bond Reserve Requirement, as determined on such date, and shall pay the moneys so withdrawn into the County Repayment Fund.

(3) Any moneys which are on deposit in the Bond Reserve Fund shall be invested by the Trustee at the oral direction of an Authorized Authority Representative (promptly confirmed in writing), in Investment Obligations; provided however, that the maturity of the Investment Obligations which are on deposit in the Bond Reserve Fund shall be limited to the lesser of five years or the period remaining to the last maturity date of the Bonds for which such Bond Reserve Fund was established. All income which is derived from the investment of moneys which are on deposit in the Bond Reserve Fund shall be deposited in the Revenue Fund to the extent the Bond Reserve Requirement has been satisfied and unless otherwise permitted to be transferred to another fund or account pursuant to the terms of the Resolution; provided however, that, (a) prior to full payment of principal and interest on the Bonds, at the written direction of an Authorized Authority Representative, such investment income may be deposited in the Project Fund, or, (b) subsequent to full payment of principal of and interest on the Bonds, (such completion being evidenced by the disbursement of all funds held in the Project Fund, or any account therein), and such investment income shall be retained in the Bond Reserve Fund (to the extent necessary so that the amount which is on deposit in the Bond Reserve Fund equals the Bond Reserve Requirement), in each case, at the written direction of an Authorized Authority Representative;

(4) No amount shall be withdrawn from or paid out of the Bond Reserve Fund except as expressly provided in this Section or in Section 505, Section 506, Section 511 or Section 1005 hereof.

Section 508. Intentionally Omitted.

Section 509. Operating Fund. (1) Pursuant to an order of the Authority simultaneously delivered to the Trustee upon the original issuance of the Bonds, any Bond proceeds representing the Initial Authority Financing Fee shall be immediately deposited in the Operating Fund. Such amount shall be paid by the Trustee to the Authority.

(2) Amounts payable to the Authority and to the County which constitute Additional Rent, shall first be deposited to the Revenue Fund and shall thereafter be deposited into Bond Service Fund, Sinking Fund, Bond Reserve Fund and County Repayment Fund in accordance with the terms hereof, immediately thereafter the Trustee shall deposit the remaining

Revenues in the Operating Fund in an amount equal to the Operating Fund Requirement.

(3) Amounts deposited in the Operating Fund shall be paid out by the Trustee to the Authority for Authority Administrative Expenses as the same are incurred from time to time, including expenses incurred by the Authority in the performance of an arbitrage rebate calculation, and any other items constituting Additional Rent upon requisition therefor submitted to the Trustee and signed by an Authorized Authority Representative, as applicable, certifying: (i) the name of the person, firm or corporation to whom each such payment is due; (ii) the respective amounts to be paid; (iii) the purpose by general classification for which each obligation in the stated amounts has been or will be incurred; and (iv) each obligation in the stated amounts has been or will be incurred by or on behalf of the Authority and that each item thereof is a proper charge against the Operating Fund and has not been previously paid.

(4) If on any date the amount which is on deposit in the Operating Fund exceeds the Operating Fund Requirement and all withdrawals or payments from the Operating Fund which are required to be made by any other provision of this Resolution shall have been made, the Trustee shall withdraw from the Operating Fund the amount of any excess therein over the Operating Fund Requirement as determined on such date and shall pay the moneys so withdrawn into the General Fund.

(5) Any moneys which are on deposit in the Operating Fund shall be invested, at the written direction of an Authorized Authority Representative (promptly confirmed in writing), by the Trustee in Investment Obligations; provided further, that the maturity of every such Investment Obligation shall not be later than the time when such funds are needed to be applied to pay Operating Fund Requirement. Any investment income which is derived from the investment of moneys which are on deposit in the Operating Fund shall by transferred by the Trustee to the Bond Service Fund.

Section 510. Application and Investment of General Fund. (1) If on any date: (a) the amount which is on deposit in the Bond Reserve Fund shall be less than the Bond Reserve Requirement, as calculated on such date, the Trustee shall withdraw from the General Fund and shall pay into the Bond Reserve Fund the amount which is needed to increase the amount which is on deposit in the Bond Reserve Fund so that it equals the Bond Reserve Requirement, or (b) the amount which is on deposit in the Operating Fund shall be less than the Operating Fund Requirement, the Trustee shall withdraw from the General Fund and shall pay into the Operating Fund the amount equal to the Operating Fund Requirement.

(2) Notwithstanding any other provision of the Resolution, whenever at any date in any Fiscal Year, (a) the amount which is on deposit in the Bond Service Fund equals or exceeds the Bond Service Requirement, (b) the amount which is on deposit in the Sinking Fund, if any, equals or exceeds the Sinking Fund Requirement, (c) the amount which is on deposit in the Bond Reserve Fund equals or exceeds the Bond Reserve Requirement, (d) intentionally omitted, (e) the amount which is on deposit in the Operating Fund equals or exceeds the Operating Fund Requirement, (f) the Authority is not in default in the payment of the principal of, redemption

premium, if any, or interest on any of the Bonds, (g) the Authority is not in default in the payment of any costs which are due and payable to the issuer of any Credit Facility or Liquidity Facility pursuant to the terms of any agreement between the Authority and such issuer, (h) intentionally omitted, and (i) all amounts required to be rebated to the United States government have been paid, and all administrative costs of the Authority, including the fees and expenses of any Fiduciary, have been paid, the Trustee shall, upon receipt of the written direction of the Authority, withdraw from and pay out of the General Fund to the Authority, free and clear of any lien or pledge created by the terms of the Resolution, any amount which is then on deposit in the General Fund. All amounts which are so withdrawn by the Trustee from the General Fund shall forthwith upon withdrawal be paid to the Authority and such amounts may be used by the Authority for any lawful purpose. Unless otherwise specifically provided by the Authority, all amounts which are so paid to the Authority shall, upon withdrawal, be forever free and clear of any lien or pledge created by the terms of the Resolution.

(3) Notwithstanding anything contained in paragraph (2) above to the contrary, no withdrawals shall be made from the General Fund free and clear of any lien or pledge of the Resolution until and unless an amount equal to all interest which is payable on the interest payment dates during the current Bond Year and all Principal Installments and Sinking Fund Installments payable during the current Bond Year are on deposit in the Bond Service Fund; provided, however, that withdrawals may be made from the General Fund to increase the amount on deposit in the Bond Service Fund or the Sinking Fund to an amount equal to the Bond Service Requirement.

(4) Any moneys which are on deposit in the General Fund shall be invested by the Trustee, at the oral direction of an Authorized Authority Representative (promptly confirmed in writing), in Investment Obligations; provided however, that the maturity of every such Investment Obligation shall not be later than fifteen years from the date of such investment. All income which is derived from the investment of moneys which are on deposit in the General Fund shall be deposited in the Revenue Fund; provided however, upon the written direction of the County, prior to the full payment of Rental Payments on the Agreement, such investment income may be deposited in the Project Fund.

(5) No amount shall be withdrawn from or paid out of the General Fund except as expressly provided in this Section or as provided in Section 610 and Section 1005 hereof.

Section 511. Application and Investment of Rebate Fund. (a) The Authority shall determine the amounts (as well as the dates of payment) which are subject to rebate to the United States government pursuant to the provisions of the Code (in order to ensure that interest on any Bonds which are issued as Tax-Exempt Obligations continues to be excludable from federal income taxation), (b) the amounts which are required to be rebated to the United States government shall be withdrawn from the accounts which are held under this Resolution (other than from any funds which are held for the payment of the purchase price for Variable Rate Bonds upon the tender of such Variable Rate Bonds by the Holders thereof), at the written direction of the Authority, and be deposited in the Rebate Fund. Such amounts shall be held in

the Rebate Fund pending withdrawal of such amounts for payment to the United States government.

(b) Moneys which are on deposit in the Rebate Fund shall be invested by the Trustee, at the oral direction of an Authorized Authority Representative (promptly confirmed in writing), in Investment Obligations; provided however, that such investments shall mature in such amounts and at such times as will permit funds to be available when needed to make payments to the United States Government in accordance with the terms of this Section 511. All income from such Investment Obligations shall be held within the Rebate Fund.

(c) If there is not a sufficient amount in the Rebate Fund for any required payment to the United States government, the Authority shall promptly pay, or cause the Township to pay to the Trustee, from other sources or from moneys which are on deposit in the General Fund and which are available for such purpose, the amount which is necessary to make up such deficiency.

At the written direction of the Authority delivered to the Trustee, the rebate amount shall be paid to the United States of America in installments which shall be made at least once every five (5) years from the date of issuance of the Series of Bonds to which such payment relates. The first such installment shall be payable to the United States of America on behalf of the Authority not later than thirty (30) days subsequent to the end of the fifth (5th) year following the date of issuance of the Series of Bonds to which such payment relates and shall be in an amount which ensures that at least ninety percent (90%) of the amount described above with respect to such Series of Bonds is paid. Each subsequent payment shall be made not later than five (5) years after the date the preceding payment was due. Within sixty (60) days after the payment of the Bonds, the Authority shall direct the Trustee, in writing, to pay to the United States on behalf of the Authority one hundred percent (100%) of the aggregate amount due with respect to such Series of Bonds which has not been theretofore paid.

At the (i) maturity of the Bonds, (ii) if the Bonds are redeemed prior to maturity, the date on which the Bonds are redeemed, (iii) each year, on the anniversary date of the issuance of the Series of Bonds to which such payment relates, and (iv) any other date that may be required by the Code (each a "Computation Date"), the Authority shall determine the amount of the rebate which shall be payable to the United States on behalf of the Authority and shall promptly deliver written notice of such amount and the detailed basis of calculation therefore to the Trustee. On each Computation Date, if such rebate amount exceeds the amount which is then on deposit in the Rebate Fund, such Rebate amount shall be transferred by the Trustee from the Funds hereunder at the written direction of the Authority to the Rebate Fund until such amount is paid as a rebate to the United States of America. If there is not a sufficient amount in the Rebate Fund for any required payment the United States government, the Authority shall promptly pay to the Trustee, from other sources or from moneys which are on deposit in the General Fund and which are available for such purpose, the amount which is necessary to make up such deficiency.

Section 512. Funds Held for Payment of Bonds. The amounts which are held by the Trustee or which are applied by the Paying Agent for the payment of the principal of, redemption premium, if any, interest or Sinking Fund Installment which is due on any date with respect to particular Bonds appertaining thereto, if any, shall, pending such payment, be set aside and held in trust for the Holders of the Bonds who are entitled to such payment, and for the purposes of the Resolution, such principal, redemption premium, if any, and interest after the date fixed for the payment thereof, shall no longer be considered to be unpaid.

Section 513. Cancellation of Bonds. All Bonds which are purchased, redeemed or paid shall, if surrendered to the Authority or to any Paying Agent, be cancelled by it and delivered to the Registrar, or if such Bonds shall be surrendered to the Registrar, shall be cancelled by it. Such Bonds shall not be deemed to be Outstanding under the terms of the Resolution and no Bonds shall be issued in lieu thereof. All such Bonds shall be cancelled by the Registrar and the Registrar shall be authorized to destroy such cancelled Bonds upon receipt of an order of the Authority and a certificate thereof shall be delivered by the Registrar to the Authority.

Section 514. Assignment of Agreement. All rights of the Authority to receive Basic Rent, Additional Rent (excluding the Authority Administrative Expenses and any other payments from the Township under the provisions of the Agreement) are hereby pledged for the benefit and security of the holders of the Bonds in order to secure the punctual performance by the Authority of all of its obligations under the terms and provisions of this Resolution with respect to such Series of Bonds and, for said purpose, such rights are hereby assigned by the Authority to the Trustee. All Basic Rent, Additional Rent with the Township which is to be received by the Authority pursuant to the terms of the Agreement are to be paid directly to the Trustee for deposit into the Revenue Fund and the provisions herein. The Agreement shall contain a provision providing for such assignment by the Authority and for the consent of the Township to such assignment.

Section 515. Intentionally Omitted.

Section 516. Satisfaction of Agreement. Upon the payment in full of all amounts due under the Agreement (including all Basic Rent and Additional Rent), the Authority shall cancel the obligation of the Township evidenced by such Agreement and terminate and release all security interests and liens created under such Agreement and the Authority or the Trustee shall take any other action required of the Authority or the Trustee in the Agreement, in connection with such cancellation, termination and release, including (without limitation) the execution of all relevant documents in connection with such actions.

ARTICLE VI

Particular Covenants of Authority

Section 601. General. The Authority hereby particularly covenants and agrees with the Trustee, the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility and with the holders of the Bonds and makes provisions which shall be a part of its contract with such holders to the effect and with the purpose set forth in the following provisions and Sections of this Article and agrees to such other covenants as shall be provided by a duly adopted Supplemental Resolution or by a duly executed Certificate of Authority Officer.

Section 602. Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid the principal of, redemption premium, if any, and the interest on every Bond, on the dates, at the place and in the manner provided for in the Bonds according to the true intent and meaning thereof. The Authority shall pay to the Trustee any part of any Sinking Fund Installments which are payable on or before said due date which has not been previously paid into the Sinking Fund pursuant to any other provisions of the Resolution.

Section 603. Offices for Servicing Bonds. The Authority shall, at all times, maintain an office or agency in the State or in the Borough of Manhattan, City and State of New York where Bonds may be presented for registration, transfer or exchange, and where Bonds may be presented for payment or redemption. The Authority hereby irrevocably appoints the Registrar as its agent to maintain such office for the registration, transfer or exchange of Bonds. The Authority shall appoint one or more Paying Agents as its agent to maintain such office for the payment or redemption of Bonds.

Section 604. Amount of Revenues. The Authority shall collect Revenues in an amount so that the Revenues which are collected and paid to the Trustee pursuant to the terms of Article V hereof for each Fiscal Year, will be at least sufficient (1) to provide an amount which is equal to the Bond Service Requirement (except any part thereof, the payment of which has been provided for by the deposit of proceeds derived from the sale of Bonds in the Bond Service Fund) and Sinking Fund Requirement, (2) to provide in each Fiscal Year the amount, if any, which is needed so that the amount which is on deposit in the Bond Reserve Fund will equal the Bond Reserve Requirement, (3) to provide for the payment of all other charges or liens whatsoever which are payable by the Authority out of such Revenues during such Fiscal Year, and (4) to provide in such Fiscal Year for payment of any additional amounts which are necessary to comply with the provisions of the Resolution and all other statutory and legal obligations of the Authority.

Section 605. Sale or Encumbrance. Except to the extent otherwise permitted by the Act, no part of the Agreement shall be sold, pledged, encumbered or otherwise disposed of.

Section 606. Creation of Liens; Subordinated Indebtedness. Except as provided in Section 317 (relating to the issuance of Additional Bonds), the Authority shall not issue any

bonds, notes, or other evidences of indebtedness, other than the Bonds, which are secured by a pledge of or other lien or charge on the Revenues and shall not create or cause to be created any lien or charge on such Revenues or on any amounts which are held by the Trustee or by any Paying Agent under the terms of the Resolution; provided however, that neither this Section nor any other provision of the Resolution shall prevent the Authority from issuing bonds or notes or other obligations for the purposes of the Authority which are payable out of, or which are secured by a pledge of Revenues which are to be derived on and after such date as the pledge of such Revenues which is provided in the Resolution shall be discharged and satisfied as provided in Section 1201 hereof. In addition, the Authority shall not be prevented from issuing bonds or notes or other obligations for the purposes of the Authority which are payable out of or which are secured by a subordinate pledge of the Revenues, or by a pledge of amounts which may be withdrawn from the General Fund pursuant to the terms of paragraph (2) of Section 510 hereof, and (a) that are issued for a purpose, the completion of which, in the opinion of an Authorized Authority Representative (as evidenced by a certificate filed with the Trustee) will not cause a reduction in Revenues to be thereafter derived by or for the account of the Authority, and (b) which shall recite on their face that such pledge of said amounts is and shall be in all respects subordinate to the provisions of the Resolution and the lien and pledge created by the Resolution.

Section 607. Arbitrage and Tax Provisions. (1) The Authority hereby particularly covenants and agrees with the Holders of the Bonds which are issued as Tax-Exempt Obligations that (a) no part of the proceeds which are derived from the sale of any Series of the Bonds shall be used directly or indirectly to acquire any "investment obligations," as such term is defined in the Code, or any securities or obligations the Project of which would cause any Bond to be an "arbitrage bond," as such term is defined in Section 148 of the Code (an "Arbitrage Bond"), and (b) it will not take any actions which, if taken, would cause any of the Bonds to be an Arbitrage Bond.

(2) The Authority will not take any actions which, if taken, will cause the interest on Bonds which are issued as Tax-Exempt Obligations to be includable as gross income under the provisions of the Code.

(3) The Agreement shall require that the Township will not take any actions which, if taken, will cause the interest on the Agreement which are issued as Tax-Exempt Obligations to be includable as gross income under the provisions of the Code.

Section 608. Annual Budget. The Authority shall prepare, file and adopt an Annual Budget for each Fiscal Year in accordance with the provisions of the Local Authorities Law. A copy of such Annual Budget shall be filed with the Trustee on or prior to the last day of each preceding Fiscal Year and shall be mailed by the Authority to the issuer of any Credit Facility or Liquidity Facility and any Bondholder upon request.

Section 609. Accounts and Audit. The Authority shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the collection of Revenues or any part thereof,

and which, together with all other books and papers of the Authority, shall at all reasonable times be subject to inspection by the Trustee, the Township or the County or by the holder or holders of not less than five per centum (5%) in aggregate principal amount of the Bonds which are then Outstanding or their representatives which are duly authorized in writing. The Authority shall cause its books and accounts to be audited annually as of the end of each Fiscal Year. Such audit shall be made by an Accountant selected by the Authority.

Section 610. Further Assurances. The Authority shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming all and singular rights, revenues and other funds which are hereby pledged or assigned, or which are intended to be so pledged or assigned, or which the Authority may hereafter become bound to pledge or assign, or as may be reasonable and as may be required to carry out the purposes of the Resolution and to comply with the terms of the Act. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect (a) the pledge of the Revenues and the other funds which are pledged hereunder, and (b) the rights of the Bondholders provided hereunder against all claims and demands of all persons whomsoever.

Section 611. Conditions Precedent. On the date of issuance of any Series of Bonds, all conditions, acts and things which are required by the Constitution or by the statutes of the State or by this Resolution to exist, to have happened and to have been performed precedent to or in the issuance of any Series of Bonds shall exist, shall have happened and shall have been performed, and such Series of Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by said Constitution or statutes.

ARTICLE VII

Redemption of Bonds

Section 701. Privilege of Redemption and Redemption Prices. The Bonds of any Series or all or any portion of any Series of Bonds which are subject to redemption prior to maturity at the option of the Authority, upon written direction of the Township, shall be subject to redemption by or on behalf of the Authority upon the giving of notice as provided in this Article, to such extent, through application of such moneys, at such time or times, in such order, and on such other terms and conditions as shall be provided by the terms of a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Series of Bonds upon original issuance or by a Certificate of Authority Officer authorized to be signed by the Supplemental Resolution, as the case may be, and as shall be provided in said Bonds. Such Bonds or portion of any Series of Bonds shall be redeemed in whole or in part on any date at the Redemption Prices set forth in said Bonds and which are applicable upon such redemption (and if no provision as to such order of redemption is made as provided above, then in such order as the Authority shall direct). If less than all of the Bonds of such Series of like maturity which are then Outstanding are to be redeemed, the particular Bonds to be redeemed shall be selected by lot in the manner set forth below.

Section 702. Selection of Bonds to be Redeemed by Lot. In the event of redemption by lot of Bonds of like Series within a maturity, the Trustee shall assign to each Bond of such Series and maturity which is then Outstanding a distinctive number for each $5,000 of the principal amount of such Bond and shall select by lot, using such method of selection as it shall deem proper in its discretion and from the numbers of all Bonds of such Series to be redeemed, as many numbers as, at $5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be those Bonds whose numbers were so selected; provided however, that only so much of the principal amount of each such Bond (of a denomination of more than $5,000) shall be redeemed as shall equal $5,000 for each number assigned to it and so selected. For the purposes of this Section, Bonds, or portions thereof, which have theretofore been selected for redemption by lot shall not thereafter be deemed to be Outstanding.

Section 703. Notice of Redemption. When the Trustee shall be required or shall be authorized, or shall receive written notice from the Authority or the Township of its election to redeem Bonds, the Trustee shall, in accordance with the terms and provisions of the Bonds and the provisions of the Resolution, select the Bonds to be redeemed and the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds. Such notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption price, the redemption date and the place or places where amounts which are due and payable upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds to be redeemed, and, in the case of a Bond to be redeemed in part only, such notice shall also specify the portion of the principal amount thereof to be redeemed. Such notice shall further state that on such date the Redemption

Price thereof shall become due and payable with respect to each Bond to be redeemed, or the Redemption Price of the specified portion of the principal amount thereof (in the case of a Bond to be redeemed in part only), together with interest accrued thereon to the redemption date, and such notice shall also state that from and after such date interest on such Bond, or portion thereof, shall cease to accrue and be payable. Such notice shall be given by mailing a copy of such notice, postage prepaid, not less than twenty-five (25) days prior to such redemption date, to the Registered Owner of any Bond all or a portion of which is to be redeemed, at his last address, if any, appearing upon the registration books of the Authority which are kept and maintained on behalf of the Authority by the Registrar. However, such mailing shall not be a condition precedent to such redemption and the failure of the Trustee to mail such notice or the failure of such notice to be received by the Holder of such Bond or portions of such Bonds shall not affect the validity of any proceedings for such redemption.

Section 704. Authority's Election to Redeem. The Authority shall give written notice, at the direction of the Township, to the Trustee of its election to redeem Bonds and of the redemption date, which notice shall be given at least forty-five (45) days prior to the redemption date or at such later date as shall be acceptable to the Trustee, but in no event later than thirty-five (35) days prior to the redemption date. In the event that the required notice of redemption shall have been given, the Authority shall, and hereby covenants that it will pay to the Trustee an amount which, in addition to any other moneys available therefor and held by the Trustee, will be sufficient to redeem all of the Bonds or portions of the Bonds which have been selected for redemption.

Section 705. Payment of Redeemed Bonds. If notice has been given (in the manner provided in Section 703 hereof), the Bonds, or portions thereof, which have been called for redemption and which have been specified in said notice shall become due and payable on the redemption date specified in said notice at the Redemption Price thereof which are applicable on such date, and, upon presentation and surrender thereof at the place or places specified in said notice together with, in the case of Bonds registered otherwise than to bearer, a written instrument of transfer which is duly executed by the Registered Owner thereof or by his attorney duly authorized in writing, said Bonds or portions thereof shall be paid at the said Redemption Prices. If less than all of a Bond has been selected for redemption, the Authority shall execute and the Registrar shall authenticate a new Bond in an amount which is equal to the unredeemed balance of the principal amount of the Bond so surrendered, upon the presentation and surrender of such Bond (except as to Book-Entry Bonds), to be delivered without charge to the owner thereof. At the option of the owner thereof, to the extent permitted by law, the Authority shall cause the Registrar to issue and to deliver Registered Bonds of like Series, designation, interest rates and maturities in any authorized denomination. If, on such redemption date, moneys for the redemption of all of the Bonds (or portions thereof) which are to be redeemed, together with interest thereon accrued and unpaid to such date, shall be held by or on behalf of the Trustee or the Paying Agent so as to be available therefor on such date and if a notice of redemption thereof shall have been mailed as aforesaid, then from and after such redemption date, interest on the Bonds (or portions thereof) of such Series and maturity which have been called for redemption shall cease to accrue and become payable. All moneys which are held by or on behalf of the

Trustee or the Paying Agent for the redemption of particular Bonds or portions thereof shall be held in trust for the account of the Holders of the Bonds or portions thereof to be redeemed.

Section 706. Alternate Redemption Provisions. The Authority may provide for alternate redemption features to be applicable to a particular Series of Bonds by Supplemental Resolution of the Authority, duly adopted prior to the authentication and delivery of such Series of Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be, provided that such features are not inconsistent with and do not impair the rights of Holders of Bonds of such Series or portion of such Series.

ARTICLE VIII

Supplemental Resolutions

Section 801. Supplemental Resolutions Effective Upon Adoption. Any Supplemental Resolution shall be fully effective in accordance with its terms upon its adoption by the Authority to modify or to amend any of the terms or the provisions of this Resolution if no Bonds are Outstanding.

Section 802. Supplemental Resolutions Effective Upon Filing. For any one or more of the following purposes and at any time or from time to time, a resolution of the Authority supplementing this Resolution may be adopted, which resolution, upon the filing with the Trustee of a copy thereof, certified by the Secretary or Assistant Secretary of the Authority, shall be fully effective in accordance with its terms:

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

(2) To add other covenants or agreements to be observed by the Authority to the covenants or agreements of the Authority which are contained in the Resolution; provided however, that such other covenants and agreements are not contrary to or inconsistent with the terms of the Resolution as theretofore in effect;

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

(4) To surrender any right, power or privilege which is reserved to or conferred upon the Authority by the terms of the Resolution;

(5) To confirm, as further assurance, any pledge which is created under, and the subjection to any lien or pledge created or to be created by, the terms of the Resolution, the Lease Agreement or the Revenues or of any other moneys, securities or funds;

(6) To specify, determine or authorize any and all matters and things relative to the Bonds or the proceeds which are derived or which are to be derived from the sale thereof which are not contrary to or inconsistent with the terms of the Resolution;

(7) To authorize Additional Bonds, or, in connection therewith, to specify, determine or authorize the matters and things which are mentioned or which are referred to in Article III hereof and any other matters and things relative to such Additional Bonds or to the proceeds derived from the sale thereof which are not contrary to or inconsistent with the terms of

the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the authentication and delivery of such Bonds;

(8) To specify, determine or modify provisions of the Resolution which are required in order to obtain a credit rating for any Bonds;

(9) To make any other change in the Resolution that in the opinion of Bond Counsel to the Authority does not adversely affect the rights of the Holders of any of the Bonds.

Section 803. Supplemental Resolutions Effective Upon Consent of Trustee. For any one or more of the following purposes and at any time or from time to time, a resolution of the Authority amending or supplementing the Resolution may be adopted which resolution upon the (a) filing with the Trustee of a copy thereof, certified by the Secretary or Assistant Secretary of the Authority, and (b) subject to receipt of the documents required under Section 806 hereof, filing with the Authority of a written instrument of the Trustee consenting to such resolution, shall be fully effective in accordance with its terms:

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

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

Section 804. Supplemental Resolutions Effective with Consent of Bondholders. (A) At any time or from time to time, a resolution of the Authority amending or supplementing the Resolution may be adopted whether applicable to all Bonds or to any particular Series thereof, modifying any of the provisions of the Resolution or releasing the Authority from any of the obligations, covenants, agreements, limitations, conditions or restrictions which are contained therein, but no such resolution shall be effective until after the filing with the Trustee of a copy thereof, certified by the Secretary or Assistant Secretary of the Authority, and unless (1) no Bonds which have been authenticated and delivered by the Trustee upon original issuance, or thereafter by the Registrar, prior to the adoption of such resolution remain Outstanding at the time such resolution becomes effective, or (2) such resolution is consented to by or on behalf of Bondholders in accordance with and subject to the provisions of Article IX hereof; provided however, that if the provisions of such resolution are applicable solely to the Holders of a particular Series of Bonds, the provisions of this Section shall apply only to such Series of Bonds.

(B) The provisions of Paragraph (A) of this Section shall not be applicable to resolutions of the Authority which are adopted and which become effective in accordance with the provisions of Section 801, Section 802 or Section 803 hereof.

Section 805. Restriction on Amendments. The Resolution shall not be modified or

amended in any respect except as provided in and in accordance with and subject to the provisions of this Article and the provisions of Article IX hereof. The provisions of Paragraph (A) of Section 804 hereof are in all respects subject to the provisions, restrictions, exceptions and limitations which are set forth in Article IX hereof. Nothing contained in this Article or in Article IX hereof shall affect or limit the right or obligation of the Authority to pass, make, do, execute, acknowledge or deliver any resolution, act, deed, conveyance, assignment, transfer or assurance pursuant to the provision of Section 610 hereof or the right or obligation of the Authority to execute and deliver to any Fiduciary any instrument which the Authority is required to deliver to said Fiduciary.

Section 806. Adoption and Filing of Supplemental Resolutions. Any resolution of the Authority which is referred to and which is permitted or authorized by the terms of Sections 801, 802 or 803 hereof may be adopted by the Authority without the vote or consent of any of the Bondholders, but such resolution shall become effective only on the conditions, to the extent and at the time provided in said Sections. Every such resolution which shall become effective shall thereupon form a part of the Resolution. A copy of every such resolution shall be filed with the Trustee, the Township and the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility and shall be accompanied by a Counsel's Opinion to the effect that such resolution has been duly and lawfully adopted by the Authority in accordance with the provisions of the Resolution, is authorized or permitted by the provisions of the Resolution and when effective, will be valid and binding upon the Authority and will be enforceable in accordance with its terms.

Section 807. Authorization to Trustee. The Trustee is hereby authorized to accept the delivery of a certified copy of any resolution of the Authority which is referred to and which is permitted or authorized by the terms of Sections 801, 802 and 803 or 804 hereof and the Trustee is authorized to consent to such resolution, if required, and to make all further agreements and stipulations which may be contained therein. The Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be a Counsel's Opinion) that such resolution is authorized or permitted by the provisions of the Resolution and that such resolution does not contain any provision which is contrary to the terms of the Resolution as theretofore in effect.

Section 808. No Modification of Duties and Obligations of Fiduciary or Issuer of Credit Facility or Liquidity Facility. Notwithstanding the provisions of this Article VIII, no modification or supplement of the Resolution shall change or modify any of the duties or obligations of any Fiduciary or the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility without its prior written consent thereto.

ARTICLE IX

Amendments

Section 901. Mailing; Application of Article. Any provision which is contained in this Article for the mailing of a notice or other reports or records to Bondholders shall be fully complied with if such notice, reports or records are mailed, by first class mail, postage prepaid, only (a) to each Registered Owner of Bonds which are then Outstanding at the most recent address, if any, appearing upon the registration books of the Authority which shall be kept and maintained on behalf of the Authority at the principal corporate trust office of the Registrar, and (b) to the Trustee.

Section 902. Powers of Amendment. (1) The Authority is hereby authorized to make technical amendments to the Resolution without the vote or consent of any of the Bondholders by filing with the Trustee a Certificate of Authority Officer setting forth such change. The amendment shall take effect upon the filing with the Trustee of a copy of the Certificate of Authority Officer.

(2) Any modification or amendment of the provisions of the Resolution or of any resolution amendatory thereof or supplemental thereto and of the rights and obligations of the Authority and of the Holders of the Bonds in any particular, may be made by resolution of the Authority, as hereinafter specified, with the written consent given (as hereinafter provided in Section 903 hereof) of the Holders of at least two-thirds in aggregate principal amount of the Bonds which are then Outstanding, or, if said resolution affects only the Holders of a certain Series of Bonds, the Holders of at least two-thirds in aggregate principal amount of the Bonds of such Series which are Outstanding at the time such consent is given, but no such modification or amendment shall permit a change in the maturity or terms of redemption of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or Redemption Price thereof or in the rate of interest thereon or any security therefor without the consent of the Holder of such Bond; provided however, notwithstanding anything above to the contrary, in the event that any Bonds of a particular Series are secured by a Credit Facility, Liquidity Facility or Bond Reserve Credit Facility, no resolution amendatory thereof or supplemental to the Resolution shall be adopted which modifies or affects the rights, duties or obligations of the issuer of such Credit Facility, Liquidity Facility or Bond Reserve Credit Facility without its prior written consent thereto. Further, no such modification or amendment shall reduce the percentages or otherwise affect the description of Bonds the consent of the Holders of which is required to effect any such modification or amendment. The Trustee may in its sole discretion determine whether or not, in accordance with the foregoing powers of amendment, Bonds of any particular Series or maturity, or any particular Holder, would be affected by any modification or amendment of the Resolution and any such determination shall be binding and conclusive on the Authority and on all Holders of Bonds when such determination is delivered in writing to the Authority by the Trustee. Notwithstanding the foregoing, any provision of the Resolution may be amended without the consent of Bondholders if it is determined by Bond Counsel, in accordance with Section 802(9), that such amendment

does not adversely affect the interests of such Bondholders.

Section 903. Consent of Bondholders. The Authority may at any time adopt a resolution making a modification or amendment permitted by the provisions of Section 902 hereof, to take effect when and as provided in this Section. Upon the adoption of such resolution, a copy thereof, certified by the Secretary or Assistant Secretary of the Authority, shall be delivered to and shall be held by the Trustee for the inspection of the Bondholders. A copy of such resolution (or summary thereof or reference thereto) together with a request to Bondholders for their consent thereto, where applicable, in a form which is satisfactory to the Trustee and Bond Counsel, shall be mailed by the Authority to each of the Bondholders and to the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility issued for or with respect to the Bonds (but failure to mail such copy and request shall not affect the validity of the resolution when consented to as provided in this Section). Such resolution shall not be effective unless and until there shall have been filed with the Trustee (1) the written consents of the Holders of the percentages of Outstanding Bonds which is specified in Section 902 hereof, or the resolution of the Authority and consent of the Trustee in the case of an amendment that does not require the consent of the Bondholders, (2) the written consent of the issuer of a Credit Facility, Liquidity Facility or Bond Reserve Credit Facility, if required, and (3) a Counsel's Opinion stating that such resolution has been duly and lawfully adopted by the Authority in accordance with the provisions of the terms of the Resolution, is authorized or permitted by the Resolution, and will be valid and binding upon the Authority and will be enforceable in accordance with its terms upon its becoming effective as provided in this Section. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given. A certificate or certificates executed by the Trustee and filed in its office stating that it has examined such proof and that such proof is sufficient under the provisions of Section 1203 hereof shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and upon the Holders of any Bonds which are issued in exchange therefor (whether or not such subsequent Holder has notice thereof); provided however, that, notwithstanding the provisions of Section 1203 hereof, such consent may be subsequently revoked by the Holder of such Bonds giving such consent or by a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate executed by the Trustee and filed in its office to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Bonds shall have filed their consents to the resolution, the Trustee shall make and shall file with the Authority and in its office a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter a notice, stating in substance that the resolution (which may be referred to as a resolution adopted by the Authority on a stated date a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this

Section, may be given to Bondholders by the Authority by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such resolution from becoming effective and binding as provided in this Section). The Authority shall file with the Trustee proof of the mailing of such notice. A record, consisting of the papers which are required or which are permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such resolution making such modification or amendment shall be deemed to be conclusively binding upon the Authority, the Trustee and the Holders of all Bonds at the expiration of forty (40) days after filing with the Trustee of the proof of mailing of such last-mentioned notice, except in the event that a final decree of a court of competent jurisdiction setting aside such resolution in a legal action or equitable proceeding for such purpose is obtained within such forty (40) day period, of which decree timely notice shall have been given to the Trustee; provided however, that the Trustee and the Authority during the forty (40) day period and any such further period during which any such action or proceeding may be pending shall be entitled, in their absolute discretion, to take such action, or to refrain from taking such action, with respect to such resolutions, as they may deem expedient.

Section 904. Modification by Unanimous Action. Notwithstanding anything which is contained in the foregoing provisions of this Article or in Article VIII hereof, the terms and provisions of the Resolution or of any resolution amendatory thereof or supplemental thereto and the rights and obligations of the Authority and of the Holders of the Bonds may be modified or amended in any respect upon the adoption by the Authority and upon the filing with the Trustee of a resolution to that effect and the consent of the Holders of all the Bonds which are then Outstanding, such consent to be accompanied by proof of the holding (at the date of such consent) of the Bonds with respect to which such consent is given, which proof shall be in the form permitted by Section 1203 hereof, as and to the extent provided in this Article IX. No notice to Bondholders, either by mailing or by publication shall be required. No such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without its prior written consent thereto.

Section 905. Exclusion of Bonds. Bonds which are owned or which are held by or for the account of the Authority shall not be deemed to be Outstanding and shall be excluded for the purpose of consent or other action or for the purpose of any calculation of Outstanding Bonds which is provided for in this Article. The Authority shall not be entitled to give any consent or take any other action provided for in this Article with respect to such Bonds. At the time of any consent or other action which is taken under the terms of this Article, the Authority shall furnish the Trustee with a Certificate of Authority Officer, upon which the Trustee may rely, describing all of the Bonds to be so excluded.

Section 906. Notation on Bonds. Bonds which have been authenticated and delivered after the effective date of any action which has been taken pursuant to the terms of either Article VIII hereof or this Article may, and if the Authority so determines, shall, bear a notation, by endorsement or otherwise, as to such action, and in such case, upon the demand of the Holder of any Bond which is Outstanding at such effective date and upon presentation of his Bond for such purpose at the principal corporate trust office of the Registrar, suitable notation as

to any such action shall be made on such Bond by the Registrar. If the Authority shall so determine, new Bonds which shall bear such notation to conform to such action shall be prepared, authenticated by the Registrar and delivered, and upon demand of the Holder of any Bond which is then Outstanding such Bond shall be exchanged without cost to such Bondholder, for Bonds then Outstanding, upon the surrender of such Bonds.

Section 907. Contracts or Indentures. The Authority, to the extent permitted by law, may, and if requested by the Trustee shall, enter into a contract or an indenture with the Trustee giving effect to any modification or amendment of the Resolution or any resolution which is amendatory thereof or supplemental thereto as provided in Article VIII or as provided in this Article.

Section 908. No Modification of Duties and Obligations of Fiduciary or Issuer of Credit Facility or Liquidity Facility. Notwithstanding the provisions of this Article IX, no modification or amendment of the Resolution shall change or modify any of the duties or obligations of any Fiduciary or the issuer of any Credit Facility or Liquidity Facility without its prior written consent thereto.

ARTICLE X

Default Provisions and Remedies of Trustee and Bondholders

Section 1001. Events of Default. The occurrence of any of the following events is hereby defined as and is declared to be and to constitute an "Event of Default," but only as it shall relate to the particular Series of Bonds that is the cause of the Event of Default:

(a) Default by the Authority in the due and punctual payment of any interest on any Bond; or

(b) Default by the Authority in the due and punctual payment of the principal or Redemption Price, if any, or Sinking Fund Installment of any Bond, whether at the stated maturity thereof, or the redemption date set therefor in accordance with the terms of the Resolution; or

(c) Subject to the provisions of Section 1009 hereof, failure by the Authority to observe and to perform any covenant, condition or agreement on the part of the Authority which is provided by the Resolution and the continuance of such failure for a period of thirty (30) days after written notice, or such longer period as shall be provided under Section 1009 hereof, specifying such failure and requesting that it be remedied, shall be given to the Authority by the Trustee; or

(d) The filing of a petition by the Authority seeking a composition of indebtedness under the Federal Bankruptcy Laws or under any other applicable law or statute of the United States of America or of the State; or

(e) Such additional Events of Default as may be set forth in a Supplemental Resolution of the Authority duly adopted in connection with the issuance of any Series of Bonds.

Section 1002. Remedies Upon an Event of Default. Upon the occurrence of an Event of Default, the Trustee may pursue any remedy which is available to it at law or in equity or by statute.

No remedy which is conferred upon or reserved to the Trustee or to the Bondholders by the terms of this Resolution is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such occurrence of any Event of Default or the acquiescence therein, and every such right

and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

The Authority may provide for additional remedies as shall be provided by the terms of a duly adopted Supplemental Resolution or duly executed Certificate of Authority Officer.

Section 1003. Rights of Bondholders. If an Event of Default shall have occurred and shall be continuing and if requested to do so by the Holders of not less than a majority in aggregate principal amount of the Bonds which are then Outstanding and if indemnified as provided in the Resolution, the Trustee shall (subject to receipt of indemnification by the Bondholders in form and amount satisfactory to the Trustee) be obligated to exercise such one or more of the rights and the remedies conferred by this Article as the Trustee shall deem to be in the interests of the Bondholders and which are not contrary to law.

Section 1004. Rights of Bondholders to Direct Proceedings. Anything in this Resolution to the contrary notwithstanding, the (a) issuer of any Credit Facility or Liquidity Facility which is the Holder of any Bonds on the date of the occurrence of such Event of Default, and if none, then (b) owners of a majority in aggregate principal amount of the Bonds which are then Outstanding shall have the right, at any time, by a written instrument or instruments which shall be duly executed and delivered to the Trustee, to direct the method and the place of conducting all proceedings to be taken in connection with the enforcement of the terms and the conditions of this Resolution or for the appointment of a receiver or any other proceeding hereunder; provided however, that such direction shall not be otherwise than in accordance with the provisions of law.

Section 1005. Application of Moneys. All moneys which are received by the Trustee pursuant to any right which is given or any action which is taken under the provisions of this Article shall be deposited into the Bond Service Fund (after payment of the costs and the expenses of the proceedings resulting in the collection of such moneys and after payment of the fees, expenses, liabilities and advances which have been incurred or made by the Trustee, including legal fees), and all moneys which are on deposit in the various funds established under the terms of the Resolution (except the Rebate Fund) shall be applied as follows:

(a) Unless the principal of all of the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons who are entitled thereto of all installments of interest which are then due on the Bonds in the order of the maturity of the installments of such interest and, if the amount which is available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amount due on such installment, to the persons who are entitled thereto, without any discrimination or privilege; and

Second: To the payment to the persons who are entitled thereto of the unpaid principal of any of the Bonds that shall have become due (other than principal of Bonds with respect to the payment of which moneys are held pursuant to the provisions of the Resolution), in the order of their due dates, with interest on such bonds from the respective dates upon which they became due and, if the amount which is available shall not be sufficient to pay in full the Bonds which are due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons who are entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and the interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts which are due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Bonds shall later become due or be declared to be due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys which are available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and the record date pertaining thereto and on such date, interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such payment date and the record date pertaining thereto, and shall not be required to make payment to the owner of any Bond until such Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if paid in full.

Whenever the principal of, the redemption premium, if any, and the interest on all Bonds have been paid under the provisions of this Section and all fees, expenses, including legal fees, and charge of the Trustee have been paid, any balance which is remaining in the Bond Service Fund shall be paid to the Authority.

Section 1006. Remedies Vested in Trustee. All remedies and rights of action (including the right to file proof of claims) under this Resolution or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the owners of the Outstanding Bonds.

Section 1007. Rights and Remedies of Bondholders and Issuer of Credit Facility, Liquidity Facility or Bond Reserve Credit Facility. No owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the provisions of the Resolution, for the execution of any trust thereof or for the appointment of a receiver or to enforce any other remedy hereunder, unless (1) a default has occurred of which an authorized officer of the Trustee has been notified as provided in the Resolution, (2) such default shall have become an Event of Default and the owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds which are then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers which were hereinbefore granted or to institute such action, suit or proceeding in its own name; (3) such Bond Owners have provided the Trustee with the indemnification which is provided in the Resolution; and (4) the Trustee shall thereafter fail or shall refuse to exercise the powers hereinbefore granted or to institute such action, suit or proceedings in its own name. Such notification, request and offer of indemnification are hereby declared in every case (at the option of the Trustee) to be conditions precedent to the execution of the powers and the trusts of the Resolution and to any action or cause of action for the enforcement of the Resolution or for the appointment of a receiver or for any other right or remedy hereunder. No one or more owners of the Bonds shall have any right in any manner whatsoever to affect, to disturb or to prejudice the lien of the Resolution by its, his, her or their action or to enforce any right or remedy hereunder except in the manner herein provided and all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Holders of all Bonds which are then Outstanding. Nothing contained in this Resolution shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, redemption premium, if any, and the interest on any Bond at and after the maturity thereof or the redemption date set therefor, or the obligation of the Authority to pay the principal of, the redemption premium, if any, and the interest on each of the Bonds which are issued hereunder to the respective owners thereof at the time, at the place, from the sources and in the manner expressed in the Bonds.

Section 1008. Termination of Proceedings. If the Trustee shall have proceeded to enforce any right or remedy under the terms of the Resolution by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then in every such case the Authority and the Trustee shall be restored to their former respective positions and rights hereunder and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 1009. Waivers of Defaults. The Trustee may in its discretion waive any Event of Default hereunder, and the consequences specified in Section 1002, and rescind any declaration of maturity of principal and shall do so upon the written request of the owners of: (1) a majority in aggregate principal amount of all Bonds which are then Outstanding with respect to which an Event of Default in the payment of principal or interest exists; or (2) a majority in aggregate principal amount of all Bonds which are then Outstanding in the case of any other default; provided however, that there shall not be waived (a) any Event of Default with respect to the payment of the principal of any Sinking Fund Installment or Bond at its maturity date or the redemption date prior to maturity, or (b) any Event of Default with respect to the payment of the interest on any Bond, unless prior to such waiver or rescission, all arrears of principal (due otherwise than by declaration) and interest, with interest (to the extent permitted by law) at the rate borne by the Bonds with respect to which such default shall have occurred on overdue installments of interest and all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee in connection with such default, including legal fees, shall have been paid or provided for and, in case of any such waiver or rescission or in case any proceedings taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 1010. Opportunity of the Authority to Cure Defaults. No Event of Default which is specified in Section 1001(c) hereof shall constitute an Event of Default hereunder until notice of such Event of Default shall be given by the Trustee or by the owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds which are then Outstanding to the Authority, by registered or certified mail, and the Authority shall have had thirty (30) days after receipt of such notice to correct such Event of Default or cause such Event of Default to be corrected and shall not have corrected such Event of Default or caused such Event of Default to be corrected within the applicable period; provided however, that if such Event of Default is such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default hereunder if corrective action which is designed to remedy such Event of Default is instituted by the Authority within the applicable period and diligently pursued until such Event of Default is corrected.

Section 1011. Notice of Events of Default. Notwithstanding anything contained herein to the contrary, the Trustee shall provide notice to the Township and the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility of the occurrence of any Event of Default which is known to the Trustee within ten (10) days of the Trustee's knowledge thereof.

Section 1012. Events of Default and Remedies Relating to Variable Rate Bonds. Notwithstanding any provision of this Article X to the contrary, in the event that any Series of Bonds are issued as Variable Rate Bonds, the provisions of this Article X may be supplemented

by the provisions of a Supplemental Resolution duly adopted by the Authority prior to the authentication and delivery of such Variable Rate Bonds.

Section 1013. Issuer of Credit Facility, Liquidity Facility or Bond Reserve Credit Facility Treated as Holder of Bonds. Notwithstanding the provisions of the Resolution to the contrary, as long as the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility has not failed to honor its payment obligation under such Credit Facility, Liquidity Facility or Bond Reserve Credit Facility under the terms of any agreement between the Authority and the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility for the term of the Credit Facility, Liquidity Facility or Bond Reserve Credit Facility the issuer of the Credit Facility, Liquidity Facility or Bond Reserve Credit Facility shall be deemed to be the sole Holder of the principal amount of Bonds which are secured under the terms of such Credit Facility, Liquidity Facility or Bond Reserve Credit Facility. As such, any actions which are permitted to be taken by (or required to be taken by) the Holders of any Series of Bonds which are entitled to the benefits of a Credit Facility, Liquidity Facility or Bond Reserve Credit Facility or any actions permitted to be taken by the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility shall instead be taken by the issuer of such Credit Facility, Liquidity Facility or Bond Reserve Credit Facility.

ARTICLE XI

Trustee, Paying Agent and Registrar

Section 1101. Appointment of Trustee. Such bank, trust company, national banking association or other banking institution doing business and having its principal office in the State or the Borough of Manhattan, City and State of New York having trust powers and as shall be named in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any of the Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be, shall be and hereby is appointed to serve as Trustee. A certified copy of such Supplemental Resolution or Certificate shall be delivered to such bank, trust company, national banking association or other banking institution. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Resolution by executing the certificate of authentication endorsed upon the Bonds upon original issuance and by delivering a written acceptance thereof to the Authority. By executing such certificate of authentication upon any Bond and by delivery of such written certificate, the Trustee shall be deemed to have accepted such duties and obligations not only with respect to the Bond so authenticated, but also with respect to all the Bonds to be issued thereafter in lieu of or in substitution therefor, but only, however, upon the terms and conditions set forth in the Resolution.

Section 1102. Appointment of Paying Agents, Registrar and Securities Depository. (a) The Authority shall appoint one or more Paying Agents for the Bonds (other than Book-Entry Bonds). Such Paying Agents shall be appointed pursuant to a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of the Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be, and the Authority may at any time or from time to time by Supplemental Resolution or Certificate of Authority Officer, as the case may be, appoint one or more other Paying Agents for such Bonds; provided however, that each Paying Agent shall not be liable for the acts or omissions taken or suffered by such other Paying Agents. Each Paying Agent shall be a bank, trust company, national banking association or other banking institution doing business and having an office in the State or in the Borough of Manhattan, City and State of New York and having trust powers if there be such a bank, trust company, national banking association or other banking institution willing and able to accept the office on reasonable and customary terms and which is authorized by law to perform all the duties imposed upon it by the terms of the Resolution. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Resolution by executing and delivering a written acceptance thereof to the Authority and to the Trustee. The Trustee may be appointed and may serve as a Paying Agent for the Bonds. Provisions relating to the payment of Book-Entry Bonds shall be determined by a Supplemental Resolution of the Authority, duly adopted prior to the authentication and delivery of such Book-Entry Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be.

(b) The Authority shall appoint a Registrar for each Series of Bonds by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery

of such Bonds or by a Certificate of Authority Officer, as the case may be. Such Registrar shall be a bank, trust company, national banking association or other banking institution doing business and having an office in the State or in the Borough of Manhattan, City and State of New York, if there be such a bank, trust company, national banking association or other banking institution willing and able to accept the office on reasonable and customary terms and which is authorized by law to perform all of the duties which are imposed upon it by the terms of the Resolution. The Registrar shall signify its acceptance of the duties and obligations imposed upon it by the terms of the Resolution by executing and delivering a written acceptance thereof to the Authority and to the Trustee. The Trustee or the Paying Agent may be appointed and may serve as a Registrar for the Bonds. Provisions relating to the transfer or registration of Book-Entry Bonds shall be determined by a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Book-Entry Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be.

(c) In connection with the issuance of Book-Entry Bonds, the Authority shall appoint a Securities Depository for the purpose of (1) holding (on behalf of its participants) the Book-Entry Bonds in safekeeping, and (2) performing the duties which are otherwise performed by the Paying Agent for all Bonds and the Registrar for all Registered Bonds. Such Securities Depository shall be appointed pursuant to the terms of a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of such Book-Entry Bonds upon original issuance or by a Certificate of Authority Officer, as the case may be. Such Securities Depository shall be a bank or corporation having its office in the continental United States which is willing and able to accept the appointment upon reasonable and customary terms and which is authorized by law to perform all of the duties which are imposed upon it by the terms of the Resolution.

Section 1103. Responsibilities of Fiduciaries. The recitals of fact which are contained in the Resolution and in the Bonds shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Bond which is issued thereunder or with respect to the security afforded by the terms of the Resolution, and no Fiduciary shall incur any responsibility in respect thereof. The Trustee or the Registrar, as the case may be, shall however, be responsible for the representation which is contained in its certificate of authentication which appears on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds which are derived from the sale thereof except that the Trustee shall be responsible for such application to the extent that such proceeds are paid to the Trustee in accordance with the provisions of Section 315 hereof and in connection with the issuance of Additional Bonds pursuant to the provisions of Section 317 hereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any action or suit with respect to the terms of the Resolution or the Bonds, or to advance any of its own moneys, unless properly indemnified by the Authority or the Bondholders, as the case may be. No Fiduciary shall be liable in connection with the

performance of its duties hereunder except for its own negligence or willful misconduct.

Except as expressly provided herein, the Trustee shall not be required to ascertain or inquire as to the performance of any covenants to be performed or observed by the Authority or the County under the Lease Agreement.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Resolution. In case an Event of Default has occurred (which has not been remedied), the Trustee shall exercise such of the rights and powers which are vested in it by the terms of the Resolution, and shall use the same degree of care and skill in the exercise of such powers as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of the Resolution which relates to actions which have been taken or which are to be taken by the Trustee or which relates to the evidence upon which the Trustee may rely shall be subject to the provisions of this Section 1103.

Notwithstanding any of the foregoing, the Trustee, at least annually and as often as may be reasonably requested by the Authority (but not more frequently than monthly), shall be responsible for delivering a written statement to the Authority which details, among other things (a) the Bonds, if any, which have been purchased or redeemed by it pursuant to the terms of Section 506 hereof, (b) the report of the Registrar stating any new Bonds which have been issued in lieu of or in substitution for Bonds pursuant to the terms of Section 307, Section 308, Section 311, Section 705 or Section 906 hereof, and (c) the balances as of said dates, together with investment income, if any, which has been earned thereon, which are on deposit in each of the funds of the Authority which have been established and created by Section 401 or Section 501 hereof or which have been otherwise created and which are held by the Trustee pursuant to the terms thereof.

Section 1104. Held in Trust. All moneys and securities which are held by any Fiduciary at any time pursuant to the terms of the Resolution shall be and hereby are assigned, transferred and set over unto such Fiduciary in trust for the purpose and under the terms and conditions set forth in the Resolution.

Section 1105. Deposit and Security of Funds. To the extent permitted by law, all moneys (not including securities) which are held by any Fiduciary pursuant to the terms of the Resolution, may, subject to the provisions of this Section, and in accordance with the provisions of the Governmental Unit Deposit Protection Act (N.J.S.A. 17:9-41 et seq.), be deposited by it, in demand or time deposits, in its banking department or with such other banks, trust companies, national banking associations or other banking institutions, each having its principal office in the State, as may be designated by the Authority and approved by the Trustee. No such moneys shall be deposited with any bank, trust company, national banking association or other banking institution other than the Trustee, in an amount exceeding fifty per centum (50%) of the amount which an authorized officer of such bank, trust company, national banking association or other banking institution shall certify to the Trustee and to the Authority as the combined capital and

surplus of such bank, trust company, national banking institution or other banking institution or as shall be set forth in the last timely published quarterly statement of such bank, trust company, national banking institution or other banking institution. Each Fiduciary shall allow and shall credit interest on any such moneys which are held by it at such rate as it customarily allows upon similar funds of similar size under similar conditions or as is required by law. Unless otherwise provided under the terms of the Resolution, interest with respect to moneys or securities which are on deposit in any fund or account shall be credited in each case to the fund or account in which such moneys or securities are held.

Notwithstanding anything in the Resolution to the contrary, all accounts which are held by the Paying Agent or the Tender Agent for any purpose shall be non-interest bearing and all moneys which are so held shall not be invested by the Paying Agent or the Tender Agent pending disbursement of the same.

Section 1106. Evidence Supporting Action. Each Fiduciary and, in the case of Variable Rate Bonds, the Remarketing Agent, the Indexing Agent and the Tender Agent, shall be fully protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion, bond or other paper or document which it believes to be genuine and which it believes has been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection with respect to any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever any Fiduciary shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action under the Resolution, such fact or matter (unless other evidence with respect thereto is specifically prescribed herein) may be deemed to be conclusively proved and established by a Certificate of Authority Officer stating the same and such certificate shall be full warrant for any action taken or suffered by any Fiduciary upon the faith thereof under the provisions of the Resolution; provided however, that in its discretion, a Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction which is required or permitted to be furnished pursuant to any provision hereof by or on behalf of the Authority to any Fiduciary shall be sufficiently executed if executed in the name of the Authority by an Authorized Authority Representative.

Section 1107. Compensation. Unless otherwise provided for by the terms of a contract with the Fiduciary, the Authority shall pay reasonable compensation from time to time to each Fiduciary for all services rendered by it hereunder, and the Authority shall also reimburse any Fiduciary for all of its reasonable expenses, charges, counsel fees and other disbursements and those of its attorneys, agents, and employees which are incurred in and about the performance of its powers and duties hereunder, and each Fiduciary shall have a first lien therefor on any and all funds and other agreement which shall at any time be held by it hereunder; provided however, that moneys which are on deposit in any fund which represents the proceeds from any draw made under any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility issued with respect to the Bonds shall not be subject to such lien. The Authority and/or the Bondholders, as the case may be, shall indemnify and shall save each Fiduciary harmless against any liabilities, losses or costs which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence or willful misconduct.

Section 1108. Certain Permitted Acts. Any Fiduciary may become the owner of or may deal in the Bonds as fully and with the same rights as it would have had if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Resolution, whether or not such committee shall represent the Holders of a majority in principal amount of the Bonds which are then Outstanding. Notwithstanding any other provision of the Resolution, nothing contained herein shall restrict any Fiduciary from entering into any contract, agreement or other relationship relating to the provision of banking, financial or other services to the Authority, the Township, the County, or any agencies thereof including the ability to provide Investment Obligations as long as the Fiduciary otherwise meets the requirements set forth in such definition.

Section 1109. Resignation of Fiduciary. Unless otherwise provided in any Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any Series of Bonds, or by the terms of any agreement by and between the Authority and such Fiduciary specifically authorized by a Supplemental Resolution of the Authority, a Fiduciary, or any successor thereof, may at any time resign and shall be discharged of its duties and obligations created by the Resolution by giving not less than sixty (60) days written notice to the Authority and by publishing notice thereof. Such notice shall specify the date when such resignation shall take effect and shall be published at least once in the Authorized Newspapers within twenty (20) days after the giving of such written notice. Upon receipt of any such notice, the Authority shall provide a copy of such notice to the Township and the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility. Except as otherwise provided herein, such resignation shall take effect on the day specified in such notice unless a successor shall have been previously appointed by the Authority or by the Bondholders, as herein provided, in which event such resignation shall take effect immediately upon the appointment of such successor. Notwithstanding anything herein to the contrary, such Fiduciary shall be obligated to continue to perform all of the duties and obligations required to be performed by such Fiduciary under the terms of this Resolution, until such time as a successor Fiduciary has been appointed and has accepted such appointment, as provided in the Resolution.

Section 1110. Removal. Unless otherwise provided in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any Series of Bonds, or by the terms of any agreement by and between the Authority and such Fiduciary specifically authorized by a Supplemental Resolution of the Authority, a Fiduciary, or any successor thereof, may be removed at any time by the Authority upon appointment of a successor or by the Holders of a majority in principal amount of the Bonds which are then Outstanding, excluding any Bonds which are held by or for the account of the Authority, upon forty-five (45) days written notice,

by a written instrument or concurrent written instruments signed and duly acknowledged by the Authority or by such Bondholders or by their attorneys duly authorized in writing and delivered to the Authority. Such removal shall take effect upon the expiration of said forty-five (45) day period; provided however, that such removal shall not be effective until such time as a successor Fiduciary has been appointed and has accepted such appointment, as provided in this Resolution. Copies of each such instrument shall be delivered by the Authority to each of the other Fiduciaries and to any successor thereof and to the Township and the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility.

Section 1111. Appointment of Successor Fiduciary. Unless otherwise provided in a Supplemental Resolution of the Authority duly adopted prior to the authentication and delivery of any Series of Bonds, or the terms of any agreement by and between the Authority and such Fiduciary specifically authorized by a Supplemental Resolution of the Authority, in case any Fiduciary, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of such Fiduciary shall be appointed, or if any public officer shall take charge or control of such Fiduciary or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds which are then Outstanding, excluding any Bonds which are held by or for the account of the Authority, by a written instrument or concurrent written instruments signed by such Bondholders, or by their attorneys, duly authorized in writing and delivered to such successor Fiduciary, and thereafter, notification thereof shall be given to the Authority, the predecessor Fiduciary, any other Fiduciaries and to the Township and the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility. Pending such appointment, the Authority shall forthwith appoint a successor Fiduciary to fill such vacancy until a successor Fiduciary shall be appointed by the Bondholders as herein authorized. The Authority shall publish notice of any such appointment in an Authorized Newspaper of the Authority within twenty days after such appointment. Any successor Fiduciary appointed by the Authority shall, immediately and without further act, be superseded by a Fiduciary appointed by the Bondholders. If in a proper case no appointment of a successor Fiduciary shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Fiduciary shall have given written notice to the Authority as provided in Section 1109 hereof or after the occurrence of any other event requiring or authorizing such appointment, the Fiduciary or any other fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint such successor. Said court may thereupon, after such notice, if any, as such court may deem proper and may prescribe, appoint such successor Fiduciary. Any successor Fiduciary appointed under the provisions of this Section shall be a bank, trust company, national banking association or other banking institution doing business and having its principal office located in the State or in the Borough of Manhattan, City and State of New York and having the qualifications which are prescribed by this Article, if there be such a bank, trust company, national banking association or other banking institution willing and able to accept the appointment on reasonable and customary terms and which is authorized by law to perform all duties which are imposed upon it by the terms of the Resolution. Notwithstanding any provision contained herein to the contrary, any successor trustee which shall be appointed shall have a capital and surplus of at least $25,000,000.

Section 1112. Transfer of Rights to Successor Fiduciary. Any successor Fiduciary which is appointed under the provisions of Section 1111 hereof shall execute, acknowledge and deliver to its predecessor Fiduciary, and also to the Authority, a written instrument accepting such appointment, and thereupon such successor Fiduciary, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiduciary, with like effect as if named herein as such Fiduciary. The Fiduciary ceasing to act shall nevertheless, upon payment of such Fiduciary's fees and expenses, and upon the written request of the Authority or of the successor Fiduciary, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required to more fully and certainly vest and confirm in such successor Fiduciary all the right, title and interest of the predecessor Fiduciary in and to any agreement held by it under the terms of the Resolution. The predecessor Fiduciary shall pay over, assign and deliver to the successor Fiduciary any money or other agreement which is subject to the trusts and conditions herein set forth. Should any deed, conveyance or written instrument be required from the Authority by such successor Fiduciary to more fully and certainly vest in and confirm to such successor Fiduciary any such moneys, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and written instruments shall, upon request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Fiduciary shall promptly notify the other Fiduciaries of its appointment as such Fiduciary.

Section 1113. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which such Fiduciary may sell or transfer all or substantially all of its corporate trust business (provided that such company shall be a bank, trust company, national banking association or other banking institution which is qualified to be a successor to such Fiduciary under the provisions of Section 1111 hereof, and which shall be authorized by law to perform all the duties imposed upon it by the terms of the Resolution) shall be the successor to such Fiduciary without the execution or filing of any paper, or the performance of any further act, deed or conveyance.

Section 1114. Adoption of Authentication. In case any of the Bonds which are contemplated to be issued under the terms of the Resolution shall have been authenticated but not delivered, any successor Trustee or Registrar, as the case may be, may adopt the certificate of authentication of any predecessor Trustee or Registrar so authenticating such Bonds and may deliver such Bonds so authenticated. In any case where any Bonds shall not have been authenticated, any successor Trustee or Registrar may authenticate such Bonds in the name of the predecessor Trustee or Registrar, as the case may be, or in the name of the successor Trustee or Registrar, and in all such cases such certificate of authentication shall have the full force and effect which is provided in said Bonds or in the Resolution.

ARTICLE XII

Miscellaneous

Section 1201. Defeasance. 1. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds of a particular Series, or any maturity within a Series, the principal of, redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Resolution, then (a) the pledge of any Revenues, and other moneys and securities which are pledged to the Holders of such Series, or maturity within a Series, under the terms of the Resolution, (b) all covenants, agreements and other obligations of the Authority and (c) the lien, benefit and security under the Resolution, shall thereupon cease, terminate and become void and shall be discharged and satisfied. In such event, the Trustee shall cause a statement to be prepared and filed with the Authority for such period or periods as shall be requested by the Authority, and, upon the request of the Authority, the Trustee shall execute and deliver to the Authority, all such instruments as may be desirable to evidence such discharge and satisfaction, and, upon payment of all fees and expenses which are due and owing to the Trustee, and any Paying Agent, the Trustee and any Paying Agent shall pay over or deliver to the Authority all moneys or securities which are held by them pursuant to the terms of the Resolution which are not required for the payment of the principal of, redemption premium, if any, and interest which is due or which is to become due on the Bonds of such Series, or maturity within such Series.

2. All Bonds of any Series, any maturity within a Series or any portion within a maturity, for the payment or redemption of which moneys shall have been set aside and shall be held in trust shall be deemed to have been paid within the meaning and with the effect expressed in subparagraph (1) of this Section. All Outstanding Bonds of such Series, or of any maturity within such Series shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subparagraph (1) of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee (in a form which is satisfactory to the Trustee) irrevocable written instructions to mail notice of redemption of such Bonds on said date, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Obligations (which are not redeemable at the option of the issuer) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, which have been deposited with the Trustee at the same time shall be sufficient to pay when due the principal of, redemption premium, if any, and the interest which is due and which is to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, as shall be verified in a report of an Accountant and/or a certificate duly executed by the Trustee and (c) in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee (in a form which is satisfactory to the Trustee) a notice to be mailed, first-class mail, postage prepaid to the Holders of such Bonds that the deposit required by clause (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the terms of this Section and such notice shall state such maturity or redemption date upon

which moneys are to be available for the payment of the principal of, redemption premium, if any, and interest on said Bonds. To the extent that the moneys or the principal of and interest on the Defeasance Obligations referred to above are sufficient to provide for the defeasance of all Outstanding Bonds of such Series, a maturity within such Series or any portion of a maturity, any additional moneys which are generated or which are available may be paid over to the Authority by the Trustee and may be used by the Authority for any lawful purpose, free and clear of any trust, lien or pledge. Any deficiency in the amounts which are on deposit with the Trustee which are necessary to accomplish a defeasance of the Bonds in accordance with the terms of this Section shall be deposited promptly by the Authority with the Trustee for the purposes of accomplishing said defeasance.

3. Notwithstanding anything contained herein to the contrary, no such defeasance shall be effective until all payments which are due and owing to the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility issued for or with respect to the Bonds to be defeased have been paid by, or on behalf of the Authority.

4. Notwithstanding anything herein to the contrary, any obligation of the Authority to make a payment to the United States of America pursuant to the provisions of Section 509 hereof shall survive the defeasance of the lien of the Resolution provided under this Section 1201.

5. Notwithstanding anything contained herein to the contrary, any payments made pursuant to this Section 1201 by the issuer of any Credit Facility, Liquidity Facility or Bond Reserve Credit Facility shall be deemed to be made in satisfaction of the Authority's obligations to the Holders of the Bonds with respect to which and to the extent to which such payments are made. However, such payments by the issuer of such Credit Facility, Liquidity Facility or Bond Reserve Credit Facility shall not be deemed to satisfy the Authority's obligation to make payment to the issuer of such Credit Facility for or in respect of such Bonds.

Section 1202. Unclaimed Funds. Anything in the Resolution to the contrary notwithstanding, any moneys which are held by any Fiduciary in trust for the payment of the principal of, redemption premium, if any, and interest on any of the Bonds which remain unclaimed for six months after the date when such Bonds have become due and payable if such moneys were held by the Fiduciary at such date, or for six months after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds shall become due and payable, such moneys shall be repaid to the County by such Fiduciary as its absolute property and such moneys shall be free from the trusts created by the terms of the Resolution. The Fiduciary shall thereupon be released and discharged with respect to such moneys and the Bondholders shall look only to the County for the payment of such Bonds; provided however, that before being required to make any such payment to the County, the Trustee, shall, at the expense of the County, cause to be published at least twice, at an interval of not less than seven days between publications, in the Authorized Newspapers, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication of such notice, the balance of such moneys then

unclaimed will be returned to the County.

Section 1203. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent or other instrument which the Resolution may require or may permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of (1) the execution of any such instrument, or of an instrument appointing any such attorney, or (2) the holding by any person of the Bonds shall be sufficient for any purpose of the Resolution (except as otherwise expressly provided herein) if made in the following manner, but the Trustee may nevertheless in its sole discretion require further or other proof in cases where it deems the same to be desirable:

(a) The fact and date of the execution by any Bondholder or by his attorney of such instrument may be proved by the certificate (which need not be acknowledged or verified) of an officer of a bank, trust company, national banking association or other banking institution (which is satisfactory to the Trustee) or of any notary public or other officer which is authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The Authority or the person or persons executing any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary; and

(b) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the registration books of the Authority which shall be kept and maintained on behalf of the Authority by the Registrar. Any request or consent by the owner of any Bonds shall bind all future owners of such Bonds with respect to anything done or suffered to be done.

Section 1204. Execution of Documents. Every requisition, certificate or request of the Authority which is to be delivered to or filed with the Trustee, Paying Agent, Registrar or Tender Agent with respect to Variable Rate Bonds, under the provisions of the Resolution shall be signed by an Authorized Authority Representative. Each of the Authorized Authority Representatives is hereby severally authorized and directed, to execute such documents necessary to issue and sell the Bonds, including but not limited to the Bonds, lease agreements, agreements, contracts, certificates or other documents (the “Documents”) necessary to consummate the transaction contemplated hereby, which execution thereof shall conclusively evidence the Authorized Authority Representative’s approval of any changes to the forms thereof. The Secretary or other authorized personnel of the Authority are hereby authorized and directed to attest the Authorized Authority Representative execution or acknowledgment of such documents and are hereby further authorized and directed to thereupon affix the seal of the Authority to such documents, as necessary. The preparation and the distribution of information relating to the Authority which may be contained in a “Preliminary Official Statement” and final

“Official Statement” to be issued in connection with the marketing of the Bonds is hereby authorized, and in furtherance of such authorization, the Authority hereby authorizes the Authorized Authority Representatives to take such action and execute such certificates, documents or instruments as the Authority, after consultation with the consultants to the Authority, deems to be necessary, desirable or convenient in connection with the preparation and distribution of the Preliminary Official Statement and the final Official Statement to market the Bonds at the most efficient economical cost to the Authority and the County.

Section 1205. Preservation and Inspection of Documents. All requisitions, requests, certificates, opinions and other documents which are received by the Trustee under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the Accountant, any Bondholder and their agents and their representatives, any of whom may make copies thereof but any such reports, certificates, statements or other documents may, at the election of the Trustee, be destroyed or otherwise disposed of at any time which is at least six years after such date as the pledge of the Revenues created by the Resolution shall be discharged as provided in Section 1201 hereof.

Section 1206. Regulations Regarding Investment of Funds. (a) Obligations which are purchased as an investment of moneys in any fund which has been established under the terms of the Resolution shall be deemed at all times to be a part of such fund, and, except as may be otherwise expressly provided in other Sections of the Resolution, the interest thereon and any profit arising on the sale thereof shall be credited to such fund, and any loss resulting from the sale thereof shall be charged to such fund.

(b) A valuation of each Fund established and created under the terms of the Resolution, including all Investment Obligations therein, shall be made by the Trustee as set forth below as often as is deemed necessary by any issuer of a Credit Facility, Liquidity Facility or Bond Reserve Credit Facility, but not less often than quarterly nor more often than monthly. In addition, all Investment Obligations in such Funds shall be valued by the Trustee at any time which is required by the County upon provision by the County of reasonable notice.

(c) In computing at any date the amount in any such fund for any purpose hereunder, obligations due within one year after such date shall be valued at the lower of the market price thereof or face value or, if not due within one year after such date shall be valued at the lower of cost or market price thereof. Each obligation may be so valued as of any time within four days prior to such date. The Trustee shall sell any obligations (at the best available price) whenever it shall be necessary to do so in order to provide moneys to make any withdrawal or payment from such fund, and the Trustee shall not be liable or responsible for any loss which results from any such investment which is made in accordance with the terms of the Resolution. For the purposes of any such investment, obligations shall be deemed to mature at the earliest date on which the issuer thereof is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations.

Section 1207. Form of Bonds, Certificate of Authentication. Subject to the

provisions of the Resolution, the forms of any Series of the Bonds, the certificate of authentication to be executed by the Trustee or the Registrar, as the case may be and the provisions for registration to be endorsed thereon shall be, respectively, in substantially the following forms, with such omissions, insertions, endorsements and variations as to redemption or other provisions or as to recitals of fact as may be required by the circumstances and as may be required or permitted by the terms of the Resolution or as may be consistent with the terms of the Resolution and which are necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(FORM OF REGISTERED BOND/NOTE)

ATLANTIC COUNTY IMPROVEMENT AUTHORITY

LEASE REVENUE BONDS/NOTES, SERIES 2022
(TOWNSHIP OF MULLICA PROJECT)

${ _____ } No. {_____}

INTEREST RATE PER ANNUM	DATED DATE	MATURITY DATE	DATE OF AUTHENTICATION	CUSIP NUMBER

The **ATLANTIC COUNTY IMPROVEMENT AUTHORITY** (hereinafter called the "Authority"), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey, acknowledges itself indebted and for value received hereby promises to pay to {________} or registered assigns, the principal sum of {________} Dollars (${________}), on the **MATURITY DATE** stated above or on the date fixed for redemption, as the case may be, together with interest on such principal sum from the date of this bond/note until the Authority's obligation with respect to the payment of such principal sum shall be discharged, at the **INTEREST RATE PER ANNUM** stated above on {________}, 202{__}, and semiannually thereafter on the {_____} days of {__________} and {________}. This bond/note, as to principal and redemption premium, if any, when due, will be payable at a corporate trust office of {________}. Interest on this Bond/Note will be payable by check and will be mailed to the registered owner hereof who shall appear on the registration books of the Authority which shall be kept and maintained by the Registrar hereinafter mentioned, as determined on the {________} of {________} and {________} (the "Record Date") {or, in the case of any proposed redemption of the Bond/Note, next preceding the date of the first mailing of notice of such redemption}. Payment of the principal of, redemption premium, if any, and interest on this bond/note shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

{INSERT PROVISIONS FOR VARIABLE RATE BONDS/NOTES}

This bond/note is one of the duly authorized issue of revenue bonds/notes, each designated as "Lease Revenue Bonds/Notes, Series 2022 (Township of Mullica Project)" (the "Bond/Note" or "Bonds/Notes") of the Authority, limited to the aggregate principal amount of $5,000,000, and authorized and issued under and pursuant to the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960, of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (hereinafter called the "Act"), and under and in accordance with a resolution of the Authority duly adopted on [________], 2022 and entitled "Resolution Authorizing the Issuance of Lease Revenue Bonds/Notes, Series

2022 (Township of Mullica Project) of The Atlantic County Improvement Authority and Determining Other Matters Related Thereto," as amended and supplemented (hereinafter called the "Resolution"). Copies of the Resolution are on file in the office of the Authority in Atlantic City, Atlantic County, New Jersey and at the principal corporate trust office of {__________________, ________________}, New Jersey (the "Trustee"), as trustee under the Resolution.

This Bond/Note is a special obligation of the Authority and is payable from the Revenues of the Authority, as such term is defined in the Resolution.

Pursuant to the terms of the Resolution, the Authority may hereafter issue additional Bonds/Notes (hereinafter called "Additional Bonds/Notes") for the purposes, in the amounts and on the conditions set forth in the Resolution. All Bonds/Notes which are issued and which are to be issued under the terms of the Resolution, including all Additional Bonds/Notes, are and will be equally secured by the pledge of the Revenues and fund provided in the Resolution except as otherwise expressly provided in or pursuant to the terms of the Resolution.

Reference to the Resolution and any and all resolutions supplemental thereto and any modifications and amendments thereof and to the Act is made for a description of the nature and extent of the security for the Bonds/Notes, the funds or Revenues pledged for the payment thereof, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the Holders of the Bonds/Notes with respect thereto, the terms and conditions upon which the Bonds/Notes are issued and upon which they may be issued thereunder, and a statement of the rights, duties, immunities and obligations of the Authority and of the Trustee.

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

This Bond/Note is transferable, as provided in the Resolution, only upon the registration books of the Authority which are kept and maintained for that purpose at a corporate trust office of {__________________, ____________}, New Jersey (the "Registrar"), as registrar under the Resolution, or its successor as Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Registrar and which is duly executed by the registered owner or by such duly authorized attorney, together with the required signature guarantee, and thereupon the Authority shall issue in the name of the transferee a new registered Bond/Note or Bonds/Notes, of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Bond/Note as provided in the Resolution, upon payment of the charges therein prescribed. The Authority, the Trustee, the Registrar and any Paying Agent of the Authority may treat and consider the person in whose name this Bond/Note is registered as the Holder and absolute owner of this Bond/Note for the purpose of receiving payment of the principal of, redemption premium, if any, and interest due thereon and for all other purposes whatsoever.

{The Bonds/Notes maturing on or after {_____}, are subject to redemption at the option of the Authority prior to maturity, upon the provision of notice as set forth below, as a whole or in part at any time, {in inverse order of maturity and} by lot within any maturity on and after ________, at a price equal to the redemption price, if redeemed in any periods shown in the following table, expressed as a percentage of such principal amount of Bonds/Notes to be redeemed, set opposite such period and applicable upon such redemption, together with interest accrued thereon to the redemption date:

Period (Both Dates Inclusive)	Redemption Price}

{The Bonds/Notes which mature on ______ are subject to mandatory redemption prior to maturity, in part, upon the provision of notice as set forth below, by operation of the Sinking Fund which has been established and created under the Resolution, upon the terms and conditions and on the dates and in the amounts which are set forth in the Resolution, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued to the date fixed for redemption.}

A notice of redemption shall be mailed, not less than twenty-five (25) days prior to the redemption date, to the registered owner hereof, in accordance with the provisions of the Resolution. If notice of redemption shall have been provided as aforesaid, the Bonds/Notes which are specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all of the Bonds/Notes which are to be redeemed, together with interest accrued thereon to the redemption date, shall be available for such payment on said date, then from and after the redemption date, interest on such Bonds/Notes shall cease to accrue and become payable to the Holders who are entitled to receive payment thereof upon such redemption.

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

THE BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY, THE COUNTY OF ATLANTIC, OR OF ANY COUNTY OR POLITICAL SUBDIVISION OF THE STATE (EXCEPT FOR THE TOWNSHIP TO THE EXTENT OF THE AGREEMENT), OTHER THAN THE AUTHORITY AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OF NEW JERSEY OR OF THE COUNTY OF ATLANTIC, OR OF ANY COUNTY OR POLITICAL SUBDIVISION OF THE STATE (EXCEPT FOR THE TOWNSHIP TO THE EXTENT OF THE AGREEMENT), OTHER THAN THE AUTHORITY, EITHER LEGAL, MORAL OR OTHERWISE.

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

This Bond/Note shall not be entitled to any security or benefit under the terms of the Resolution or be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Trustee upon original issuance and thereafter by the Registrar.

IN WITNESS WHEREOF, THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY has caused this Bond/Note to be signed in its name and on its behalf by the manual or facsimile signature of its Executive Director, and its corporate seal to be affixed, impressed or reproduced hereon, and this Bond/Note and such seal to be attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the **DATED DATE** set forth above.

THE ATLANTIC COUNTY
IMPROVEMENT AUTHORITY

ATTEST:

_____________________________ By: ____________________________
Assistant Secretary Executive Director

SEAL

FORM OF CERTIFICATE OF AUTHENTICATION ON ALL BONDS/NOTES

"CERTIFICATE OF AUTHENTICATION

This bond/note is one of the Bonds/Notes described in the within-mentioned Resolution and is one of the "Lease Revenue Bonds/Notes, Series 2022 (Township of Mullica Project)" of the ATLANTIC COUNTY IMPROVEMENT AUTHORITY.

__________________________________, or _____________________________,
as Trustee as Registrar

By: _______________________________ By: __________________________
Authorized Signature Authorized Signature"

FORM OF ASSIGNMENT
ON BACK OF REGISTERED BOND

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto {PLEASE PRINT OR TYPE NAME, ADDRESS AND TAXPAYER IDENTIFICATION NO. OF ASSIGNEE} the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints ______ , as Attorney, to transfer the within Bond on the registration books of the ATLANTIC COUNTY IMPROVEMENT AUTHORITY, with full power of substitution and revocation.

NOTICE: The signature to this assignment must correspond with the name of the registered owner hereof as it appears upon the face of the within bond/note in every particular, without alteration or enlargement or any change whatsoever.

Dated:

SIGNATURE GUARANTEE:

(National Bank, trust company or commercial bank located in the City or State of New York, or the State of New Jersey, or any member of the New York Stock Exchange)

Section 1208. Additional Actions and Documents. The Authorized Authority Representatives are hereby designated to be the authorized representatives of the Authority, charged by this resolution with the responsibility for issuing the Bonds and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution, the construction of the Project, and the issuance of the Bonds. Without limiting the foregoing, a Supplemental Resolution or Certificate of Authority Officer may authorize the execution and delivery of documents necessary or proper for the purpose of designing and constructing the Project, including, but not limited to an architect's agreement, construction agreement and construction management agreement.

Section 1209. Effective Date. This resolution shall take effect immediately.

ARTICLE XIII

PROVISIONS CONCERNING THE AGREEMENT

Section 1301. Terms and Conditions for Agreement**.** The Township shall lease-purchase the Project from the Authority.

Section 1302. Form of Agreement. The Agreement shall be substantially in the form approved by the Authority and the Township.

Section 1303. Delivery of Documents in Connection with the Agreement. Prior to or at the execution and delivery of the Agreement and the closing on the initial Bonds, the Authority, the Township and the Trustee shall have received the following documents:

(i) an opinion of counsel or bond counsel to the Township, as approved by Bond Counsel to the Authority, to the effect that the Agreement was duly authorized by the Township and is a valid and binding obligation of the Township;

(ii) the Agreement;

(iii) copies of the lease authorization ordinance and resolutions, as applicable, adopted by the Township governing body authorizing the execution and delivery of the Agreement and related applicable matters, certified by an Authorized Township Representative or the Township Clerk;

(iv) evidence satisfactory to Bond Counsel to the Authority that the Basic Rent and Additional Rent pursuant to the Agreement, are sufficient to pay Bond Service on the Bonds, Authority Administrative Expenses and all costs of the financing, respectively; and

v) such other certificates, documents, opinions and information as the Authority may reasonably require in connection with the sale of the Bonds, and execution and delivery of the Agreement.

All opinions and certificates required under this Section 1303 shall be dated the closing date of the Bonds and all such opinions shall be addressed to the Authority, the Township, the underwriter and the Trustee.

1304. Default Under the Agreement. The Trustee shall, by 3:00 p.m. of the second Business Day after the Payment Verification Date, immediately notify the Authority and the Township of the Trustee's failure to receive a Basic Rent payment from the Township. Notwithstanding the above, the failure of the Trustee to receive any Basic Rent payment from the Township on any Rental Payment Date shall not cause an Event of Default for the purposes of Article X of this Resolution.

Section 1305. The Trustee's Obligations. (1) Subject to the provisions of Article X hereof, the Trustee shall reasonably assist and cooperate with the Authority and the Township in

the enforcement of all terms and conditions of the Agreement, including (without limitation) the prompt payment of all Basic Rent and Additional Rent, and all other amounts due to the Trustee thereunder, and the observance and performance of all duties, covenants, obligations and agreements thereunder.

The Trustee shall not release the duties, covenants, obligations or agreements of the Township under the Agreement and shall at all times, to the extent permitted by law, defend, enforce, preserve and protect the rights and privileges of the Authority and the Holders under or with respect to the Agreement; provided, however, that this provision shall not be construed to prevent the Trustee (with the written consent of the Authority) from settling a default under the Agreement on such terms as the Trustee shall determine to be in the best interests of the Authority and the Holders.

(2) The Trustee and the Authority shall receive from the Township, on an annual basis as long as any Bond Service on the Bonds attributable to the Township remains unpaid, within five (5) Business Days after the adoption of a temporary budget appropriation and/or the filing of an annual budget as introduced by the Township with the Division of Local Government Services, a certificate of the Chief Financial Officer of the Township stating that the temporary budget appropriation and/or annual budget contains a line item which represents an amount due under the Agreement for all Rental Payments due from the Township during the Township's Fiscal Year (as used herein, the "Certificate"). Such Certificate shall have attached a copy of the page of the temporary budget appropriation and/or budget on which the line item appears. The Trustee and the Authority shall also receive from the Township, within five (5) Business Days thereof, notice of any revisions to such line item or the transfer of any moneys out of such line item. In the event such Certificate is not received by the Trustee sixty (60) days following the beginning of the Township's Fiscal Year or the Trustee otherwise has actual knowledge that the Township has revised its budget or transferred money out of a line item, as applicable, the Trustee shall promptly notify the Authority of such event(s) and the Authority shall take immediate action to cause all Rental Payments to be timely paid by the Township. For purposes of this section, the Trustee shall be deemed to have actual knowledge only if an officer of the corporate trust department of the Trustee has actual knowledge thereof.

Section 1306. Termination of the Agreement. Upon the payment in full by the Township of all amounts due thereunder, including all Basic Rent and Additional Rent, the Trustee shall, at the written direction of the Authority deem the Agreement satisfied.

Section 1307. Files. After the execution and delivery of the Agreement, the Trustee shall retain all the documents received by it pursuant to this Article XIII in connection with the Agreement executed by the Township in a file pertaining to the Township, to which file the Trustee shall from time to time add all records and other documents pertaining to Rental Payments and other amounts received by the Trustee under the Agreement and all communications from or received by the Trustee with respect to the Township. Such file shall be kept at the principal corporate trust office of the Trustee and shall be available for inspection by the Authority at reasonable times and under reasonable circumstances.

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF TOWNSHIP SECURED LEASE REVENUE PROJECT NOTE, SERIES 2026 (TOWNSHIP OF MULLICA MUNICIPAL COMPLEX PROJECT), OF THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY IN AN AMOUNT NOT TO EXCEED $5,000,000, AND DETERMINING OTHER MATTERS RELATED THERETO

WHEREAS, The Atlantic County Improvement Authority (the "Authority") was created by resolution adopted by the Atlantic County Board of Chosen Freeholders, now known as the Atlantic County Board of County Commissioners (the "Board of County Commissioners") in the State of New Jersey (the "State") as a public body corporate and politic of the State pursuant to and in accordance with the county improvement authorities law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State, and the acts amendatory thereof and supplemental thereto (the "Act") and other applicable law; and

WHEREAS, the Township of Mullica, New Jersey (the "Township"), a municipal corporation of the State, desires to renovate and expand the existing municipal building/police department complex (the "Facility") on real property owned by the Township, located at 4528 White Horse Pike, Elwood, New Jersey 08217 (the "Property" and, together with the construction of the Facility, the "Project"); and

WHEREAS, the Township has requested the Authority's assistance in financing the Project as described therein; and

WHEREAS, the Project constitutes a "public facility" as such term is defined in the Act; and

WHEREAS, the Authority has agreed to finance the Project on behalf of the Township through the issuance of bonds, and any notes issued in anticipation thereof (the "Authority Obligations"), and shall, in connection therewith, acquire a leasehold interest in the Property and simultaneously lease back the Facility and the Property to the Township pursuant to a lease purchase agreement; and

WHEREAS, pursuant to the Act, specifically Section 35 thereof (N.J.S.A. 40:37A-78), the Authority is authorized to enter into and perform any lease or other agreement with the Township for the lease to or use by the Township of all or any part of any public facility, including the Project, on any terms and conditions which may be agreed upon by the Township and the Authority; and

WHEREAS, in accordance with Section 13 of the Act (N.J.S.A. 40:37A-56), prior to the financing of the Project, the Authority has made a detailed report to the Board of County Commissioners, which report included, without limitation, the General Bond Resolution adopted by the Authority, the Bonds and the Lease Agreement (as defined below); and

WHEREAS, on May 25, 2022, the Authority adopted a resolution entitled "Resolution Authorizing the Issuance of Lease Revenue Bonds, Series 2022 (Township of Mullica Municipal Complex Project), of The Atlantic County Improvement Authority and Determining Other Matters Related Thereto" (the "Resolution" or "General Bond Resolution"), which authorizes the issuance of the Authority Obligations; and

WHEREAS, pursuant to the Resolution and a Certificate of the Authority's Executive Director dated August 14, 2024, on August 27, 2024, the Authority issued its Township Secured Lease Revenue Project Note, Series 2024 (Township of Mullica Municipal Complex Project) (the "2024 Note") in the amount of $4,405,000, issued for the purposes of financing (i) costs of construction of the Facility and (ii) costs of issuing the 2024 Note; and

WHEREAS, in connection with the 2024 Note, the Authority and Township entered into a Lease Purchase Agreement, dated as of August 1, 2024 (the "Lease Agreement"), pursuant to which the Authority acquired a leasehold interest in the Property from the Township and, upon completion of construction of the Facility, the Township will acquire a leasehold interest in same from the Authority; and

WHEREAS, under the Lease Agreement, and in accordance with Ordinance No. 4 of 2022, adopted by the Township on May 22, 2022, the Township is obligated to make general obligation lease payments to the Authority at times, and in amounts, sufficient to enable the Authority to make debt service payments on the Authority Obligations issued to finance the Project; and

WHEREAS, pursuant to a supplemental resolution of the Authority, dated June 10, 2025 and a Certificate of the Authority's Executive Director dated August 14, 2025, on August 26, 2025, the Authority issued its Township Secured Lease Revenue Project Note, Series 2025 (Township of Mullica Municipal Complex Project) (the "2025 Note") in the amount of $4,465,000, issued for the purposes of financing (i) costs of construction of the Facility and (ii) costs of issuing the 2025 Note; and

WHEREAS, the 2025 Note matures on August 25, 2026; and

WHEREAS, the Authority has determined to issue its Township Secured Lease Revenue Project Note, Series 2026 (Township of Mullica Municipal Complex Project) (the "2026 Note") in an amount not to exceed $5,000,000 for the purposes of, along with unspent proceeds of the 2025 Note: (i) refunding the 2025 Note, (ii) paying additional costs of the Project, (iii) paying costs of issuance of the 2026 Note, and (iv) financing capitalized interest on the 2025 Note (collectively, the "2026 Project"); and

WHEREAS, the Authority wishes to provide terms and conditions with respect to such 2026 Note in addition to those which have been previously established under and pursuant to the Resolution, and to delegate the sale of such 2026 Note to the Chairman, Vice Chairman and Executive Director of the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY, as follows:

ARTICLE I

Definitions

Section 101. <u>**Short Title**</u>. This resolution may hereinafter be cited as the "2026 Supplemental Note Resolution".

Section 102. <u>**Terms Defined in Resolution**</u>. Whenever used or referred to in this 2026 Supplemental Note Resolution all capitalized terms herein shall, unless specifically defined herein or unless the context clearly requires otherwise, have the same meanings which are assigned to such terms in the Resolution.

Section 103. <u>**Definitions**</u>. As used or referred to in this 2026 Supplemental Note Resolution, unless a different meaning clearly appears from the context:

"Paying Agent" means the paying agent appointed for the 2026 Note in accordance with Section 307 hereof;

"Registrar" means the registrar appointed for the 2026 Note in accordance with Section 307 hereof;

"Trustee" means the trustee appointed for the 2026 Note in accordance with Section 307 hereof; and

"Underwriter" means such underwriter as determined by the Certificate of Authority Officer.

Section 104. <u>**Incorporation of Resolution**</u>. This 2026 Supplemental Note Resolution supplements and amends the Resolution. The Resolution is incorporated herein by reference thereto.

Section 105. <u>**Severability of Invalid Provisions**</u>. If any one or more of the covenants or agreements provided in this 2026 Supplemental Note Resolution, on the part of the Authority or the Trustee, to be performed should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed separable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this 2026 Supplemental Note Resolution or of the 2026 Note.

ARTICLE II

Determinations By and Obligations of the Authority

Section 201. <u>**Authority for 2026 Supplemental Note Resolution**</u>. This 2026 Supplemental Note Resolution is adopted pursuant to the Act and the Resolution and the Authority has ascertained and hereby determines that each and every act, matter, thing or course of conduct as to which provision is made in this 2026 Supplemental Note Resolution is appropriate in order to carry out and effectuate the purposes of the Authority in accordance with the Act and the Resolution to further secure the payment of the principal or redemption price of and interest on the 2026 Note.

Section 202. <u>**2026 Note to Constitute Additional Bonds**</u>. The 2026 Note shall constitute "Additional Bonds" as such term is defined in the Resolution and shall be issued pursuant to and in accordance with the Resolution.

Section 203. <u>**Resolution to Constitute Contract**</u>. In consideration of the purchase and acceptance of the 2026 Note by those who shall hold the same from time to time, the provisions

of the Resolution shall be deemed to be and shall constitute a contract between the Authority, the Trustee and the holders from time to time of the 2026 Note; the pledge made in the Resolution and the covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the holders of the 2026 Note, which, regardless of the time or times of its issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Authority Obligations over any other thereof except as expressly provided in or pursuant to the Resolution.

Section 204. <u>**Estimated Cost of 2026 Project**</u>. The Authority hereby determines that the aggregate estimated Cost of the 2026 Project shall not exceed $5,000,000.

ARTICLE III

Authorization, Amount and Description of the 2026 Note

Section 301. <u>**Authorization and Purpose of the 2026 Note**</u>. The 2026 Note is hereby authorized to be issued and sold in accordance with the provisions of the Resolution, this 2026 Supplemental Note Resolution and a Certificate of Authority Officer authorized pursuant to Section 303 of this 2026 Supplemental Note Resolution. The proceeds of the 2026 Note will be used, together with other funds, to fund the costs of the 2026 Project in accordance with Section 315 of the General Bond Resolution.

Section 302. <u>**Amount and Title of the 2026 Note**</u>. The 2026 Note shall be designated a "Township Secured Lease Revenue Project Note, Series 2026 (Township of Mullica Municipal Complex Project)" as set forth below. The 2026 Note may be issued in an amount not to exceed $5,000,000 and sold in one or more series as determined by the Authorized Authority Representative in consultation with the Authority's Bond Counsel and Financial Advisor and set forth in the Certificate of Authority Officer.

Section 303. <u>**Description of the 2026 Note**</u>.

(A) <u>**Description of the 2026 Note; Delegation to Authority Officer**</u>. Pursuant to and in accordance with the provisions of *N.J.S.A.* 40:37A-60 and the terms of the Resolution, the Authority hereby determines that any Authorized Authority Representative is hereby designated as the individual who shall have the power to sell and to award the 2026 Note on behalf of the Authority to the Underwriter, in accordance with the terms of the Certificate of Authority Officer and subject to the parameters set forth herein, including the power to determine, among other things (a) the amount of 2026 Note to be issued, in an amount not to exceed the amount set forth in Section 302 hereof, which are authorized to be issued pursuant to the terms of Section 317 of the General Bond Resolution, (b) the time and the manner of sale of the 2026 Note, (c) the maturity of such 2026 Note and the provisions pertaining to redemptions thereof and/or sinking funds established therefor, (d) the rate of interest for such 2026 Note, and (e) such other terms and conditions as may be necessary or related to the sale of the 2026 Note. The Authorized Authority Representative is hereby authorized to award such 2026 Note to the Underwriter. Such award shall be evidenced by the execution of a Certificate of Authority Officer. Such Certificate of Authority Officer shall determine the terms and conditions relating to the sale of the 2026 Note, including the rate of interest to be borne by the 2026 Note and the Underwriter's discount, if any, which is payable to the Underwriter in connection with the sale of the 2026 Note; <u>provided</u> <u>however</u>, that without the further authorization of the Authority, the rate of interest to be borne by the 2026 Note shall not exceed six per centum (6.00%) per annum for such 2026 Note issued as a Tax-Exempt Obligation and seven and one-half per centum (7.50%) per annum for such 2026 Note issued as a taxable obligation; provided however, that the Underwriter's discount for the 2026 Note shall not exceed $7.00 per $1,000 principal amount of such 2026 Note. Such Certificate shall contain such other terms and conditions as shall be deemed to be necessary in connection with the sale of the 2026 Note or with the deposit and application of other sources of funds to be used to pay the costs of designing and/or constructing the Facility.

(B) Execution of Note Purchase Contract Evidencing Award of the 2026 Note. The sale and award of the 2026 Note by the Authorized Authority Representative shall be evidenced by the execution of the Certificate of Authority Officer as of the date of the sale and the award of the 2026 Note and a note purchase contract executed by the Underwriter, and such Certificate and note purchase contract shall be presented to the members of the Authority following such sale and award as evidence of the terms and details of the sale of such 2026 Note. The Authorized Authority Representative is hereby authorized and directed to execute the note purchase contract and to deliver same to the Underwriter on terms deemed advisable by the Authorized Authority Representative in consultation with the Authority's Bond Counsel and Financial Advisor, and the signature upon the same shall be determinative evidence thereof.

(C) Denomination and Place of Payment. The 2026 Note shall be issued in book-entry form only and, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). The 2026 Note shall be issued in the form of one certificate for each maturity for each series, in the aggregate principal amount of such maturity. As long as DTC or its nominee, Cede & Co., is the Registered Owner of the 2026 Note, payments of the principal of, redemption premium, if any, and interest on the 2026 Note will be made by the Paying Agent directly to Cede & Co., as Registered Owner, which will remit such payments to DTC participants, which will in turn remit such payments to the beneficial owners of the 2026 Note. All other terms and conditions with respect to the payment of the principal of, redemption premium, if any, and interest on the 2026 Note shall be as provided in the Resolution and the Certificate of Authority Officer.

(D) Transfer and Exchange of 2026 Note. As long as the 2026 Note remains in book-entry form, such 2026 Note shall be transferable only upon the records of DTC. All other provisions governing the transfer and exchange of the 2026 Note shall be as provided in the Resolution.

(E) Form of the 2026 Note. The 2026 Note shall be in substantially the form set forth in Section 1207 of the General Bond Resolution, which form is by this reference incorporated in full as if set forth herein, with such omissions, insertions and variations as are properly required and which are not contrary to any of the provisions of the Resolution or any of the provisions of this 2026 Supplemental Note Resolution or the Certificate of Authority Officer.

Section 304. Issuance of the 2026 Note and Application of Proceeds of Sale. The 2026 Note authorized by Section 301 herein, is hereby directed to be executed by or on behalf of the Authority by its Authorized Authority Representative and delivered to the Trustee. All the proceeds of sale of the 2026 Note shall, simultaneously with the issuance of the 2026 Note, be paid and applied by the Authority in accordance with the Resolution and as provided in an Order of the Authority to be executed by the Authorized Authority Representative consistent with the Resolution.

Section 305. No Recourse on the 2026 Note. No recourse shall be had for the payment of the principal of or the interest on the 2026 Note or for any claim based thereon or on this 2026 Supplemental Note Resolution or the Resolution against any member or other officer of the Authority or any person executing the 2026 Note. The 2026 Note is not and shall not be in any way a debt or liability of the State of New Jersey or, except for the Township to the extent of the Lease Agreement, of any county or municipality and does not and shall not create or constitute any indebtedness, liability or obligation of said State or, except for the Township to the extent of the Lease Agreement, of any county or municipality, either legal, moral or otherwise.

Section 306. Execution of 2026 Note. Any Authorized Authority Representative is hereby authorized to execute by the manual or facsimile signature the 2026 Note in the name and on behalf of the Authority, attested by the manual or facsimile signature of its Secretary or Assistant Secretary.

Section 307. Appointment of Trustee, Paying Agent and Registrar. In accordance with the provisions of Article XI of the General Bond Resolution, a certain financial institution (the "Bank") shall be appointed Trustee (the "Trustee"), Paying Agent (the "Paying Agent"), and Registrar (the "Registrar") for the 2026 Note. The Bank shall accept and shall carry out its duties and obligations as Trustee, Paying Agent and Registrar as provided in and as required by the terms of the General Bond Resolution.

Section 308. Authorization of Official Statement. The Authority's Bond Counsel and the Underwriter are hereby authorized to prepare and to distribute a Preliminary Official Statement on behalf of the Authority in connection with the sale of the 2026 Note. The form and content of such Preliminary Official Statement shall, prior to the distribution thereof, be approved by the Authority, or by the Authorized Authority Representative, as the case may be, acting on behalf of the Authority. Subsequent to obtaining such approval, the Preliminary Official Statement may be revised, if necessary, and may contain additional terms and information relating to the sale of the 2026 Note; provided however, that the form and content of such revised Preliminary Official Statement shall have been previously approved by the Authority, or by the Authorized Authority Representative, as the case may be, acting on behalf of the Authority, prior to the distribution thereof. The Authorized Authority Representative is hereby authorized to execute the final Official Statement and shall execute any closing or other documents which are required to be executed in connection with the delivery of the 2026 Note. Any actions which are not determined by this 2026 Supplemental Note Resolution or any other resolution of the Authority duly adopted prior to the authentication and delivery of the 2026 Note shall be determined by the execution of a Certificate of Authority Officer.

Section 309. Material Events Disclosure. Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission as amended and interpreted from time to time (the "Rule"), the Executive Director is hereby authorized to execute a Continuing Disclosure Agreement or Certificate (the "Continuing Disclosure Document") on behalf of the Authority in connection with the delivery and issuance of the 2026 Note.

Section 310. Damages. In the event that the Authority fails to comply with the requirements of the Continuing Disclosure Document, the Authority shall not be liable for monetary damages, remedy being hereby specifically limited to specific performance. If any part of the Rule ceases to be in effect for any reason, then the information required to be

provided in the Continuing Disclosure Document, insofar as the provisions of the Rule no longer require such information, shall no longer be required pursuant to this 2026 Supplemental Note Resolution.

ARTICLE IV

Miscellaneous Provisions

Section 401. Amendments. The Authorized Authority Representative is hereby authorized, prior to the execution and delivery of the 2026 Note, through the execution of a Certificate of Authority Officer, to approve and to implement any amendments and/or supplements to any financing documents, including the Resolution and this 2026 Supplemental Note Resolution, that may be required to amend, modify or clarify the terms and conditions of the Resolution or this 2026 Supplemental Note Resolution relating to the authorization, issuance, sale, security, establishment of funds and accounts held by the Trustee, flow of funds or covenants of the 2026 Note or as may be required by any rating agency in connection with their delivery of ratings on the 2026 Note; provided, however, that, the Authorized Authority Representative, in conjunction with the Authority's Bond Counsel and General Counsel, has determined that any such amendments and/or supplements will not have a material or adverse affect on the ability of the Authority to market, sell and deliver the 2026 Note or on any of the material terms, conditions and/or covenants set forth in the Resolution or this 2026 Supplemental Note Resolution.

Section 402. Notices. It shall be sufficient service or giving of any notice, request, complaint, demand or other instrument or document, if it is in writing duly mailed by first class mail. Notices to the Authority, the Trustee, the Registrar, and the Paying Agent shall be addressed as determined in the Certificate of Authority Officer. The foregoing parties may designate, by notice given hereunder, any further or different addresses to which any subsequent notice, request, demand or other instrument or document shall be sent. The Trustee shall designate, by notice to the Authority addresses to which notices or copies thereof shall be sent to the Trustee's agents hereunder. In connection with any notice mailed pursuant to the provisions of this 2026 Supplemental Note Resolution, a certificate of the Trustee, the Authority, the Paying Agent or the Holders, whichever mailed that notice, that the notice was so mailed shall be conclusive evidence of the proper mailing of the notice.

Section 403. Successors and Assigns. All the covenants, promises and agreements in this 2026 Supplemental Note Resolution contained by or on behalf of the Authority, or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 404. Headings for Convenience Only. The descriptive headings in this 2026 Supplemental Note Resolution are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 405. Additional Acts. Any Authorized Authority Representative, the Secretary, Assistant Secretary or Treasurer, and the Authority's staff and consultants are hereby authorized and directed to take all actions and execute all documents, certificates or agreements, which are necessary or which are convenient to effectuate the terms of the Resolution and this 2026 Supplemental Note Resolution in connection with the issuance, sale and delivery of the 2026 Note.

Section 406. Filing of the 2026 Supplemental Note Resolution. The Secretary or Assistant Secretary of the Authority are hereby authorized and directed to cause copies of the 2026 Supplemental Note Resolution to be filed for public inspection at the offices of the Trustee and the Authority.

Section 407. Effective Date. This 2026 Supplemental Note Resolution shall take effect immediately upon adoption.

Roy M. Foster, Chairperson	**Edwin G. Blake, Secretary**

ADOPTED: July 9th, 2026

ATLANTIC COUNTY IMPROVEMENT AUTHORITY

I, Timothy D. Edmunds, P.E., Executive Director, Assistant Secretary of the Atlantic County Improvement Authority, State of New Jersey, do hereby certify that the foregoing is a correct and true copy of the resolution adopted by the Board at a meeting duly held on the 9th day of July 2026.

Timothy D. Edmunds, P.E., Executive Director

APPENDIX D

Form of Continuing Disclosure Agreement

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONTINUING DISCLOSURE AGREEMENT

BY AND AMONG

THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY

TOWNSHIP OF MULLICA, NEW JERSEY

AND

MANUFACTURERS AND TRADERS TRUST COMPANY,
AS DISSEMINATION AGENT

Dated as of August 1, 2026

Entered into with respect to:

$4,535,000
The Atlantic County Improvement Authority
Township Secured Lease Revenue Project Notes,
Series 2026 (Township of Mullica Municipal Complex Project)

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the "*Agreement"*), made and entered into as of August 1, 2026, by and among THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY, a public body corporate and politic of the State of New Jersey (the "*State"*) organized and existing under the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State and the acts amendatory thereof and supplemental thereto (the "*Authority"*), TOWNSHIP OF MULLICA, a public body corporate and politic of the State (the "*Local Unit"*), and MANUFACTURERS AND TRADERS TRUST COMPANY, a banking corporation organized and validly existing under the laws of the State of New York (the "*Dissemination Agent"* and, together with the Authority and the Local Unit, the "Parties"), in its capacity as Dissemination Agent (as hereinafter defined).

W I T N E S S E T H:

WHEREAS, the Authority is issuing its Township Secured Lease Revenue Project Notes, Series 2026 (Township of Mullica Municipal Complex Project), dated August 24, 2026, in the aggregate principal amount of $4,535,000 (the "*Project Note"*); and

WHEREAS, the Project Note is being issued pursuant to and in accordance with (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State and the acts amendatory thereof and supplemental thereto (the "*Act*"), and (ii) a bond resolution of the Authority duly adopted on May 25, 2022, and entitled, "Resolution Authorizing the Issuance of Lease Revenue Bonds, Series 2022 (Township of Mullica Municipal Complex) of the Atlantic County Improvement Authority and Determining Other Matters Related Thereto" (the "Bond Resolution"), as amended and supplemented by a supplemental resolution duly adopted by the Authority on July 9, 2026, entitled "Supplemental Resolution Authorizing the Issuance of Township Secured Lease Revenue Project Note, Series 2026 (Township of Mullica Municipal Complex Project), of The Atlantic County Improvement Authority in an Amount Not to Exceed $5,000,000, and Determining Other Matters Related Thereto" (the "*Supplemental Resolution*") and a Certificate of the Executive Director of the Authority to be executed in connection with the issuance of the Project Notes (the "Award Certificate", and together with the Bond Resolution, the "*Resolution*"); and

WHEREAS, Manufacturers and Traders Trust Company has duly accepted the obligations imposed upon it by the Resolution as Dissemination Agent for the holders from time to time of the Project Note; and

WHEREAS, the Securities and Exchange Commission (the "*SEC*"), pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified as of the date hereof at 15 *U.S.C.* §77 *et seq*.), has adopted amendments effective July 3, 1995 to its Rule 15c2-12 (codified at 17 *C.F.R.* §240.15c2-12) ("*Rule 15c2-12*") that generally prohibit a broker, dealer or municipal securities dealer from purchasing or selling municipal securities, such as the Project Note, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide, among other things, notices of the occurrence of certain enumerated events and notices of the failure to make a submission required by a continuing disclosure agreement to various information repositories; and

WHEREAS, the SEC has adopted amendments, effective July 1, 2009, to Rule 15c2-12 requiring that the annual financial information and operating data, notices of the occurrence of certain enumerated events and notices of the failure to make a submission required by a continuing disclosure agreement be provided to the Municipal Securities Rulemaking Board (the "*MSRB*") and not to the various information repositories, and requiring that such information be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB; and

WHEREAS, the SEC has adopted amendments, effective December 1, 2010, to Rule 15c2-12 revising the list of events notice of the occurrence of which must be provided to the MSRB and revising the time for the filing of notices of the occurrence of these events; and

WHEREAS, the SEC has adopted amendments, effective February 27, 2019, to Rule 15c2-12 supplementing the list of events to include material financial obligations that could impact an "obligated person's" liquidity, overall creditworthiness, or an existing security holder's rights, notice of the occurrence of which must be provided to the MSRB; and

WHEREAS, on August ___, 2026, the Authority entered into a Note Purchase Agreement (the "*Note Purchase Agreement*") with Raymond James & Associates, Inc. (the "*Underwriter*") for the purchase of the Project Note; and

WHEREAS, the Local Unit is an "obligated person" with respect to the Project Note within the meaning of Rule 15c2-12 and, in order to enable a "participating underwriter" within the meaning of Rule 15c2-12 to purchase the Project Note, is therefore required to cause the delivery of the information described in this Agreement to the municipal securities marketplace for the period of time specified in this Agreement; and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the Authority, the Local Unit and the Dissemination Agent, respectively, and all conditions, acts and things necessary and required to exist, to have happened or to have been performed precedent to and in the execution and delivery of this Agreement, do exist, have happened and have been performed in regular form, time and manner; and

WHEREAS, the Authority, the Local Unit and the Dissemination Agent are entering into this Agreement for the benefit of the holders of the Project Note.

NOW, THEREFORE, for and in consideration of the promises and of the mutual representations, covenants and agreements herein set forth, the Authority, the Local Unit and the Dissemination Agent, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1. Terms Defined in Recitals. All capitalized terms defined in the preambles hereof shall have the meanings set forth therein for all purposes of this Agreement.

Section 1.2. Additional Definitions. The following additional terms shall have the meanings specified below:

"*Business Day*" means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in the City of New York, in the State or in the city or cities in which the designated corporate trust office of the Dissemination Agent is located are authorized or required by law to close, or (c) a day on which the New York Stock Exchange is closed.

"*Disclosure Event*" means any event described in Section 2.1 of this Agreement.

"*Disclosure Event Notice*" means the notice to the MSRB, as provided in Section 2.1 of this Agreement.

"*Dissemination Agent*" means, initially Manufacturers and Traders Trust Company, acting in its capacity as Dissemination Agent under this Agreement, or any successor Dissemination Agent designated in writing by the Authority or the Local Unit that has filed a written acceptance of such designation.

"*EMMA*" means the Electronic Municipal Markets Access system maintained by the MSRB, which serves as the sole nationally recognized municipal securities information repository under Rule 15c2-12.

"*Final Official Statement*" means the final Official Statement of the Authority dated August __, 2026 pertaining to the Project Note.

"*MSRB*" means the Municipal Securities Rulemaking Board, or any successor organization.

"*Noteholder*" or any similar term, when used with reference to a Project Note or Project Notes, means any person who shall be the registered owner of any Outstanding Note, including holders of beneficial interests in the Project Note.

"*Notice*" means written notice sent pursuant to the provisions of Section 4.4 of this Agreement via the United States Postal Service or through a private delivery service that provides evidence of delivery.

Section 1.3. Capitalized Terms Not Defined Herein. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Resolution.

Section 1.4. Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Agreement. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Agreement, refer to this Agreement as a whole unless otherwise expressly stated.

As the context shall require, all words importing the singular number shall include the plural number and vice versa; the disjunctive term "or" shall be interpreted conjunctively as required to ensure that the Authority or the Local Unit performs any obligations mentioned in the passage in which such term appears.

ARTICLE 2

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1. Reporting of Disclosure Events.

(a) The Authority and the Local Unit, as applicable, shall provide in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, to the MSRB through EMMA, Notice of any of the following events with respect to the Project Note (each, a "*Disclosure Event*"):

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Project Note, or other material events affecting the tax-exempt status of the Project Note;

(vii) modifications to the rights of Noteholders, if material;

(viii) Project Note calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the Project Note, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar events of the Local Unit, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Local Unit in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Local Unit, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Local Unit;

(xiii) the consummation of a merger, consolidation or acquisition involving the Local Unit or the sale of all or substantially all of the assets of the Local Unit, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee, or the change of name of a trustee, if material;

(xv) incurrence of a financial obligation of the Local Unit, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Local Unit, any of which affect security holders, if material; or

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Local Unit, any of which reflect financial difficulties.

The foregoing Disclosure Events are quoted from Rule 15c2-12. Some of such Disclosure Events may not be applicable to the Project Note.

(b) Whenever the Authority has knowledge of the occurrence of any of the Disclosure Events as to the Authority, or the Local Unit has knowledge of Disclosure Events xii, xiii, xv or xvi as to the Local Unit, the Authority or Local Unit, as applicable, shall give notice to each other and to the Dissemination Agent in a timely manner as set forth herein.

Section 2.2. Documents to be Provided in Electronic Format and Accompanied by Identifying Information. The Local Unit and the Authority agree, as applicable, that each Disclosure Event Notice pursuant to Section 2.1 hereof shall be provided to the MSRB with a copy to the Dissemination Agent) in an electronic format as prescribed by the MSRB, and that all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 2.3. Responsibilities, Duties, Immunities and Liabilities of Dissemination Agent.

(a) If the Authority and/or the Local Unit have determined it necessary to report the occurrence of a Disclosure Event, the Authority, the Local Unit or the Dissemination Agent (if it has received written instruction from the Authority or the Local Unit to report the occurrence of a Disclosure Event) shall in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, file a Disclosure Event Notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. The obligations of the Authority, the Local Unit and/or the Dissemination Agent to provide the Notices to the MSRB under this Agreement are in addition to, and not in substitution of, any of the obligations of the Trustee to provide notices of events of default to Noteholders under the Resolution. The Authority, the Local Unit and/or the Dissemination Agent shall file a copy of each Disclosure Event Notice with the Authority and the Trustee (if other than the Dissemination Agent), for informational purposes only.

(b) The Dissemination Agent has no power to enforce performance of this Agreement on the part of either the Authority or the Local Unit. The Dissemination Agent shall not be responsible in any manner for the content of any Notice or report prepared by the Authority or the Local Unit pursuant to this Agreement.

(c) The provisions of the Resolution affecting the responsibilities, duties, immunities and liabilities of the Trustee are each hereby made applicable to the Dissemination Agent under this Agreement as if the duties of the Dissemination Agent hereunder were set forth in the Resolution.

Section 2.4. Appointment, Removal and Resignation of Dissemination Agent.

(a) The Authority or the Local Unit may discharge the Dissemination Agent and appoint a successor Dissemination Agent, such discharge to be effective on the date of the appointment of a successor Dissemination Agent. The Authority hereby appoints Manufacturers and Traders Trust Company as Dissemination Agent, and Manufacturers and Traders Trust Company hereby accepts such appointment.

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written Notice to the Authority and the Local Unit. Such resignation shall take effect on the date specified in such Notice.

ARTICLE 3

DEFAULTS AND REMEDIES

Section 3.1. Disclosure Default. The occurrence and continuation of a failure by the Authority or the Local Unit, as applicable, to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Agreement, and such failure shall remain uncured for a period of thirty (30) days after written Notice thereof has been given to the Authority or the Local Unit, as applicable, by the Dissemination Agent or any Noteholder, shall constitute a disclosure default hereunder.

Section 3.2 Remedies on Default.

(a) The Dissemination Agent (at the request of the Underwriter or the holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Project Notes, after provision of indemnity in accordance with the Resolution) shall, or any Noteholder, for the equal benefit and protection of all Noteholders similarly situated, may, take whatever action at law or in equity against the Authority or the Local Unit, as applicable, and any of the officers, agents and employees of the Authority or the Local Unit, as applicable, necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Authority or the Local Unit, as applicable, under this Agreement and may compel the Authority or the Local Unit, as applicable, or any such officers, agents or employees, except for the Dissemination Agent, to perform and carry out their duties under this Agreement; *provided*, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case the Dissemination Agent or any Noteholder shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Dissemination Agent or any Noteholder, as the case may be, then and in every such case the Authority, the Local Unit, the Dissemination Agent and any Noteholder, as the case may be, shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Authority, the Local Unit, the Dissemination Agent and any Noteholder shall continue as though no such proceeding had been taken.

(c) A default under this Agreement shall not be deemed an event of default under the Resolution, and the sole remedy under this Agreement in the event of any failure by the Authority or the Local Unit to comply with this Agreement shall be as set forth in Section 3.2(a) of this Agreement.

ARTICLE 4

MISCELLANEOUS

Section 4.1. Purposes of this Agreement. This Agreement is being executed and delivered by the Authority, the Local Unit and the Dissemination Agent for the benefit of the Noteholders and in order to assist the Underwriter in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2. Third-Party Beneficiaries. Each Noteholder is hereby recognized as being a third-party beneficiary hereunder and each may enforce, for the equal benefit and protection of all Noteholders similarly situated, any such right, remedy or claim conferred, given or granted hereunder in favor of the Dissemination Agent. Except as provided in the immediately preceding sentence, this Disclosure Agreement shall create no rights in any other person or entity.

Section 4.3 Additional Information. Nothing in this Agreement shall be deemed to prevent the Authority or the Local Unit from (a) disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or (b) including any other information in any Disclosure Event Notice in addition to that which is specifically required by this Agreement. If the Authority or the Local Unit, as applicable, chooses to include any information in any Disclosure Event Notice in addition to that which is specifically required by this Agreement, the Authority or the Local Unit, as applicable, shall have no obligation under this Agreement to update such information or to include it in any future Disclosure Event Notice. The Authority or the Local Unit, as applicable, shall reimburse the Dissemination Agent for any expenses incurred by the Dissemination Agent in providing such additional information pursuant to this Section 4.3.

Section 4.4. Notices. All Notices required to be given or authorized to be given by any party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail (as well as by Electronic Means, in the case of the Dissemination Agent or the Trustee) to:

In the case of the Authority:

The Atlantic County Improvement Authority
600 Aviation Research Blvd
Egg Harbor Township, New Jersey 08234
Attention: Executive Director
Email: Edmunds_Timothy@aclink.org

In the case of the Local Unit:

Township of Mullica
4528 S. White Horse Pike
Elwood, New Jersey 08217
Attention: Treasurer/Chief Financial Officer
Email: Dstollenwerk@mullicatownship.org

In the case of the Dissemination Agent or the Trustee, addressed to it at its designated corporate trust office at:

Manufacturers and Traders Trust Company
One Fountain Plaza, 10th Floor
Buffalo, New York 14203
Attention: Jason Jaskolka
Email: jjaskolka@wilmingtontrust.com

"Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Dissemination Agent, or another method or system specified by the Dissemination Agent as available for use in connection with its services hereunder. The Dissemination Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("*Instructions*") given pursuant to this Agreement and delivered using Electronic Means; provided, however, that the Authority and/or the Local Unit, as applicable, shall provide to the Dissemination Agent an incumbency certificate listing officers with the authority to provide such Instructions ("*Authorized Officers*") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority and/or the Local Unit, as applicable, whenever a person is to be added or deleted from the listing. If the Authority and/or the Local Unit, as applicable, elects to give the Dissemination Agent Instructions using Electronic Means and the Dissemination Agent in its discretion elects to act upon such Instructions, the Dissemination Agent's understanding of such Instructions shall be deemed controlling. The Authority and the Local Unit understand and agree that the Dissemination Agent cannot determine the identity of the actual sender of such Instructions and that the Dissemination Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Dissemination Agent have been sent by such Authorized Officer. The Authority and the Local Unit shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Dissemination Agent and that the Authority, the Local Unit and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority and/or the Local Unit, as applicable. The Dissemination Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Dissemination Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority and the Local Unit agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Dissemination Agent, including without limitation the risk of the Dissemination Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Dissemination Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority and/or the Local Unit, as applicable; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Dissemination Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 4.5. Assignment. This Agreement may not be assigned by any party without the written consent of the others and, as a condition to any such assignment, only upon the assumption in writing of all of the obligations imposed upon such party by this Agreement.

Section 4.6. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 4.7. Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. All parties hereto may sign the same counterpart or each party hereto may sign a separate counterpart.

Section 4.8. Amendments, Changes and Modifications.

(a) Except as otherwise provided in this Agreement, subsequent to the initial issuance of the Project Note and prior to its payment in full (or provision for payment thereof having been made in accordance with the provisions of the Resolution), this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Dissemination Agent.

(b) Without the consent of any Noteholders, the Authority, the Local Unit and the Dissemination Agent may amend any provision of this Agreement if Bond Counsel to the Authority and Bond Counsel to the Local Unit issue opinions supporting a determination that:

(1) This Agreement, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering of the Project Note, after taking into account any amendments or interpretations of Rule 15c2-12; and

(2) Such amendment does not materially impair the interests of the holders or beneficial owners of the Project Note.

(c) Upon entering into any amendment or modification required or permitted by this Agreement, the Authority or the Local Unit shall provide, or cause the Dissemination Agent to provide, to the MSRB through EMMA, Notice of any such amendment or modification.

(d) The Authority, the Local Unit and the Dissemination Agent shall be entitled to rely exclusively upon opinions of Bond Counsel to the Authority and Bond Counsel to the Local Unit when determining questions of materiality relating to any provision of this Agreement and Rule 15c2-12.

Section 4.9. Amendments Required by Rule 15c2-12. The Authority, the Local Unit and the Dissemination Agent each recognize that the provisions of this Agreement are intended to enable the Underwriter to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Agreement shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery by the Underwriter of an opinion of counsel nationally recognized as an expert in federal securities law acceptable to the Authority and the Local Unit to the effect that such amendments shall be permitted or necessary to assure continued compliance by the Underwriter with Rule 15c2-12 as so amended or interpreted, then the Authority, the Local Unit and the Dissemination Agent shall amend this Agreement to comply with and be bound by any such amendment hereto to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and agree to provide written Notice of such amendment as required by Section 4.8(c) hereof.

Section 4.10. Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of New Jersey and the federal laws of the United States of America.

Section 4.11. Termination of Authority's and Local Unit's Continuing Disclosure Obligations. The respective continuing obligation of the Authority and the Local Unit under Section 2.1 hereof to provide any Disclosure Event Notice and to comply with the other requirements of this Agreement shall terminate if and when either (a) the Project Note is no longer Outstanding in accordance with the terms of the Resolution or (b) the Local Unit no longer remains an "obligated person" (as defined in Rule 15c2-12(f)(10)) with respect to the Project Note and, in either event, only after the Authority or the Local Unit provides, or causes the Dissemination Agent to provide, to the MSRB through EMMA, written Notice to such effect. This Agreement shall be in full force and effect from the date hereof and shall continue in effect so long as any Project Notes remain Outstanding.

Section 4.12. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Authority, the Local Unit and the Dissemination Agent and their respective successors and assigns.

Section 4.13. No Personal Recourse. No personal recourse shall be had for any claim based on this Agreement against any member of the Authority or the Local Unit, or any officer or employee, past, present or future, or any successor body, as such, either directly or through the Authority, the Local Unit or any successor body, under any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise.

Section 4.14. Headings for Convenience Only. The descriptive headings in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 4.15. Reimbursement of the Dissemination Agent. The provisions of the Resolution relating to reimbursement of the fees and expenses incurred by the Trustee in carrying out its duties thereunder, shall apply to the performance by the Dissemination Agent of its obligations as Dissemination Agent under this Agreement.

Section 4.16 Entire Agreement. This Agreement sets forth the entire understanding and agreement of the Authority, the Local Unit and the Dissemination Agent with respect to the matters herein contemplated, and no modification or amendment of or supplement to this Agreement shall be valid or effective unless the same is in writing and signed by the parties hereto.

[REMAINDER OF PAGE INTENTIOALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

THE ATLANTIC COUNTY IMPROVEMENT AUTHORITY

By:________________________________
TIMOTHY D. EDMUNDS, P.E.
Executive Director

MANUFACTURERS AND TRADERS TRUST COMPANY,
as Dissemination Agent

By:________________________________
JASON JASKOLKA
Assistant Vice President

TOWNSHIP OF MULLICA, NEW JERSEY

By: ________________________________
KYLE ROLLER
Chief Financial Officer

APPENDIX E

Form of Approving Legal Opinion

August __, 2026

The Atlantic County Improvement Authority
Egg Harbor Township, New Jersey

Dear Commissioners:

We have acted as bond counsel in connection with the issuance by The Atlantic County Improvement Authority (the "*Authority*") of its Township Secured Lease Revenue Project Notes, Series 2026 (Township of Mullica Municipal Complex Project) in the aggregate principal amount of $4,535,000 (the "*2026 Project Notes*"). The Project Notes are issued pursuant to the provisions of the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (the "*Act*"), a bond resolution of the Authority duly adopted on May 25, 2022 and entitled, "Resolution Authorizing the Issuance of Lease Revenue Bonds, Series 202_ (Township of Mullica Municipal Complex Project), of The Atlantic County Improvement Authority and Determining Other Matters Related Thereto" (the "*General Bond Resolution*"), a supplemental resolution duly adopted by the Authority on July 9, 2026 and entitled, "Supplemental Resolution Authorizing the Issuance of Township Secured Lease Revenue Project Note, Series 2026 (Township of Mullica Municipal Complex Project), of The Atlantic County Improvement Authority in an Amount Not to Exceed $5,000,000, and Determining Other Matters Related Thereto" (the "*Supplemental Resolution*"), and a certificate of the Executive Director of the Authority exercising certain powers delegated by the General Bond Resolution (the "*Award Certificate*"; and together with the General Bond Resolution and the Supplemental Resolution, the "*Bond Resolution*"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Bond Resolution.

The Project Notes are being issued to: (i) currently refund the Authority's $4,465,000 Township Secured Lease Revenue Project Notes, Series 2025 (Township of Mullica Municipal Complex Project) issued on August 26, 2025 and maturing on August 25, 2026 (the "*Prior Notes*"), which were originally issued to fund the construction of a new municipal complex, including a municipal building and police station on real property owned by the Township of Mullica, Atlantic County, New Jersey (the "*Township*"); and (ii) pay the costs and expenses incurred by the Authority and the Township in connection with the issuance of the 2026 Project Notes (collectively, the "*Project*"). The Authority and the Township have entered into a Lease Purchase Agreement, dated as of August 1, 2024 (the "*Lease Agreement*"), with respect to the Project. The Project Notes are dated the date hereof, mature on the date and in the principal amount, bear interest at the rate and contain such other provisions as are set forth in the Bond Resolution.

In rendering the opinions set forth below, we have examined such matters of law and documents, certificates, records and other instruments as we deemed necessary or appropriate to enable us to express the opinions set forth below, including, without limitation, the Act and original counterparts or certified copies of the Bond Resolution, the Lease Agreement and the other documents, certificates, instruments, opinions and records filed with the Trustee in connection with the issuance of the 2026 Project Notes. In rendering the opinions set forth below, we have assumed and relied upon the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinions, we have, when such facts were not independently established, relied upon the truthfulness, completeness and accuracy of the aforesaid documents, certificates, instruments, opinions and records without any independent investigation thereof.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Authority has been duly created and is validly existing as a public body corporate and politic under the provisions of the Constitution and statutes of the State of New Jersey, including the Act, with the power to adopt the General Bond Resolution and the Supplemental Resolution, to execute the Award Certificate and to issue the 2026 Project Notes.

2. The General Bond Resolution and the Supplemental Resolution have been duly and lawfully adopted by the Authority, are in full force and effect, are valid and binding upon the Authority and are enforceable in accordance with their terms, and no other authorization for the General Bond Resolution or the Supplemental Resolution is required. The Award Certificate has been duly and validly executed by the Executive Director.

3. The 2026 Project Notes have been duly authorized and issued by the Authority in accordance with the Act and the provisions of the Bond Resolution, are valid and binding special obligations of the Authority enforceable in accordance with their terms and the terms of the Bond Resolution and are entitled to the benefits of the Bond Resolution and the Act.

4. The Bond Resolution creates a valid pledge of the Revenues held or set aside under the Bond Resolution, subject only to the application thereof by the Authority for the purposes and on the terms and conditions set forth in the Bond Resolution.

5. The Authority and the Township have the power and authority to enter into the Lease Agreement. The Lease Agreement has been duly authorized, executed and delivered by the Authority and the Township, and creates valid and binding obligations of the Authority and the Township, respectively, and such obligations are enforceable in accordance with their respective terms. The Township is obligated to make any required payments under the terms of the Lease Agreement out of the first funds becoming legally available to the Township for this purpose, and to provide the funds for such payments, if not otherwise available, from the levy of *ad valorem* taxes upon all the taxable property within the jurisdiction of the Township without limitation as to rate or amount.

6. The Authority has covenanted to comply with any continuing requirements that may be necessary to preserve the exclusion from gross income of interest on the 2026 Project Notes for purposes of federal income taxation under the Internal Revenue Code of 1986, as amended (the "*Code*"). Assuming that the Authority continuously complies with its covenants, under existing law, interest on the 2026 Project Notes is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the 2026 Project Notes is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the 2026 Project Notes is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

7. Based upon existing law, interest on the 2026 Project Notes and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

The foregoing opinions in paragraphs 2 and 3 above are qualified to the extent that the enforceability of the Bond Resolution and the 2026 Project Notes may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights generally and general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and the valid exercise of the sovereign police powers of the State of New Jersey and the constitutional powers of the United States of America.

In rendering the opinion expressed in paragraph 6 above, we have relied on representations of the Authority with respect to matters solely within the knowledge of the Authority that we have not independently verified, and we have assumed continuing compliance with the covenants in the Bond Resolution pertaining to the Code that affect the exclusion from gross income of interest on the 2026 Project Notes for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete or the Authority fails to comply with such covenants, interest on the 2026 Project Notes could be includable in gross income for federal income tax purposes from the date of their original delivery, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any federal, state or local tax consequences of the ownership or disposition of the 2026 Project Notes.

Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the Authority other than the certified copies of the proceedings and proofs referred to hereinabove, and no opinion is expressed as to any financial or other information, or the adequacy thereof, that has been or may be supplied to any purchaser of the 2026 Project Notes. We express no opinion herein as to the accuracy, adequacy or sufficiency of the Official Statement of the Authority pertaining to the offering of the 2026 Project Notes.

The opinions expressed herein are based upon the laws and judicial decisions of the State of New Jersey and the United States of America as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinion or to any laws or judicial decisions hereafter enacted or rendered. Our engagement as bond counsel with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of the laws or judicial decisions hereafter enacted or rendered that impact on this opinion letter.

This opinion letter is being furnished solely to the party to whom it is addressed and may not be relied upon by any other person or quoted in whole or in part or otherwise referred to without our prior written consent. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

This opinion is issued as of the date hereof. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention after the date of this opinion, or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever.

Very truly yours,

[THIS PAGE INTENTIONALLY LEFT BLANK]