This Preliminary Official Statement and the information contained herein are subject to change, amendment and completion without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the applicable securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 30, 2024

NEW ISSUE – BOOK-ENTRY ONLY

Ratings: S&P: "AA" (Insured)
Moody's: "A2" (Underlying)
(See "RATINGS" herein)

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority (as hereinafter defined), assuming continuing compliance by the Authority and the City (as hereinafter defined) with certain tax covenants described herein, under existing law, interest on the Series 2024 Bonds (as hereinafter defined) is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and will not constitute a tax preference item for purposes of computing the alternative minimum tax imposed on individuals; however such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. In addition, interest on the Series 2024 Bonds and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed. See "TAX MATTERS" herein.

$3,000,000*
THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
(CUMBERLAND COUNTY, NEW JERSEY)
CITY GENERAL OBLIGATION LEASE REVENUE BONDS
(BRIDGETON FIRE STATION PROJECT), SERIES 2024
(CALLABLE)

Dated: Date of Delivery **Due: December 1, as shown on inside front cover**

The $3,000,000* aggregate principal amount of City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2024 (the "Series 2024 Bonds"), are being issued by The Cumberland County Improvement Authority (the "Authority"), a political subdivision and public body corporate and politic of the State of New Jersey (the "State"), pursuant to: (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"); (ii) a bond resolution of the Authority duly adopted on August 28, 2024 (the "Bond Resolution"); and (iii) an Indenture of Trust, dated as of October 1, 2024 (the "Indenture"), between the Authority and U.S. Bank Trust Company, National Association, Edison, New Jersey, as trustee (the "Trustee").

The Series 2024 Bonds will be issued in fully registered form and, when issued, will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"), an automated depository for securities and a clearinghouse for securities transactions. Individual purchases of the Series 2024 Bonds will be made in book-entry only form (without certificates) in denominations of $5,000 or any integral multiple thereof. The principal of the Series 2024 Bonds is payable on the respective maturity dates, in the years and in the amounts set forth on the inside front cover page hereof. Interest on the Series 2024 Bonds is payable semi-annually on June 1 and December 1 of each year (each, an "Interest Payment Date"), commencing June 1, 2025, until maturity or earlier redemption thereof, at the rates set forth on the inside front cover page hereof. The principal or Redemption Price (as hereinafter defined) of the Series 2024 Bonds will be payable upon presentation and surrender thereof at the principal corporate trust office of the Trustee.

So long as Cede & Co. is the registered owner of the Series 2024 Bonds, payments of principal or Redemption Price of and interest on the Series 2024 Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants (as hereinafter defined) which will, in turn, remit such payments to the Beneficial Owners (as hereinafter defined) of the Series 2024 Bonds. Purchasers will not receive certificates representing their ownership interest in the Series 2024 Bonds purchased. For so long as any purchaser is a Beneficial Owner of a Series 2024 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2024 Bond. Interest on any Series 2024 Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name the Series 2024 Bond is registered at the close of business on the 15th day of the calendar month immediately preceding an Interest Payment Date (whether or not a business day).

The Series 2024 Bonds are being issued by the Authority to provide funds for: (i) the costs of the undertaking and completing further capital improvements (the "New Improvements") to the approximately 30,000 square foot new fire station facility (the "Facility") located on certain real property owned by the City of Bridgeton, New Jersey (the "City") located at 168 East Commerce Street in the City, said property being shown as Lot 1 in Block 121 on the Tax Map of the City (the "Project Site"); (ii) the costs of furnishing and equipping the New Improvements; (iii) all other costs and expenses necessary for or related to the development, construction and equipping of the New Improvements (items (i) through (iii) are collectively referred to herein as the "2024 Construction Project"); (iv) capitalized interest on the Series 2024 Bonds and funding of any reserve funds, as may be necessary; and (v) the costs of issuance with respect to the financing (items (i) through (iv) are collectively referred to herein as the "2024 Project"). Additional information regarding the 2024 Project is set forth herein under the heading "THE 2024 PROJECT". Pursuant to an existing Lease Agreement, dated December 1, 2021 ("Existing Lease"), between the Authority and the City, the Authority has: (i) leased the Project Site from the City and has heretofore developed and constructed the Facility on behalf the City; and (ii) leased the Facility to the City. In connection with the issuance of the Series 2024 Bonds, the Authority shall: (i) continue to lease the Project Site from the City pursuant to the Existing Lease; and (ii) pursuant to and in accordance with a new Lease Agreement, dated as of October 1, 2024 (the "Lease Agreement"), lease the 2024 Construction Project (as part of the Facility) to the City.

Pursuant to the Lease Agreement, the City will make certain Lease Payments (as defined in the Lease Agreement) to the Authority in an aggregate amount equal to the principal, redemption premium, if any, and interest on the Series 2024 Bonds as well as applicable Additional Lease Payments (as defined in the Lease Agreement) as the same become due and payable on each Lease Payment Date (as defined in the Lease Agreement). The Series 2024 Bonds are special and limited obligations of the Authority payable solely from the Pledged Property (as defined in the Indenture), which includes, *inter alia*: (i) Revenues (as defined in the Indenture) which include, among other things, the Lease Payments; (ii) the Funds and Accounts established under the Indenture (other than the Rebate Fund), including Investment Securities held in any such Funds or Accounts (as such terms are defined in the Indenture); and (iii) all other moneys, securities or funds pledged for the payment of the principal or redemption price of and interest on the Series 2024 Bonds in accordance with the terms and provisions of the Indenture.

The City's payment obligations created under the Lease Agreement shall be direct, general, irrevocable and unconditional obligations of the City payable from any source legally available to the City, including, without limitation, the general tax revenues of the City, and the City shall, if necessary, levy *ad valorem* taxes upon all the taxable property within the jurisdiction of the City for the payment of such obligations, without limitation as to rate or amount. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS" herein.

The Series 2024 Bonds are subject to redemption prior to maturity as described herein. See "DESCRIPTION OF THE SERIES 2024 BONDS" herein.

THE SERIES 2024 BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OR ANY SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY SOLELY TO THE EXTENT OF THE PLEDGED PROPERTY AND THE CITY TO THE EXTENT OF THE LEASE PAYMENTS) AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE, OR OF ANY SUBDIVISION (OTHER THAN THE AUTHORITY SOLELY TO THE EXTENT OF THE PLEDGED PROPERTY AND THE CITY TO THE EXTENT OF THE LEASE PAYMENTS), EITHER LEGAL, MORAL OR OTHERWISE. THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE SERIES 2024 BONDS FROM THE REVENUES AND FUNDS PLEDGED THERETO. THE AUTHORITY HAS NO TAXING POWER.

The scheduled payment of principal of and interest on the Series 2024 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2024 Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY.

BAM

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

The Series 2024 Bonds are offered when, as and if issued by the Authority and received by the Underwriter (as defined herein), subject to prior sale, withdrawal or modification of the offer without notice, and to the approval of certain legal matters by Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority, and certain other conditions. Certain matters will be passed upon for the Authority by its counsel, Archer & Greiner, P.C., Haddonfield, New Jersey; for the City by Michele Gibson, Esquire, City Solicitor, and by McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, City Bond Counsel; and for the Underwriter by Fleishman Daniels Law Offices, LLC, Linwood, New Jersey. Phoenix Advisors, LLC, Bordentown, New Jersey, has acted as Municipal Advisor to the Authority in connection with the issuance of the Series 2024 Bonds. It is expected that the Series 2024 Bonds will be available for delivery on or about October __, 2024.

RAYMOND JAMES®

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* *Preliminary, subject to change*

$3,000,000*
THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
(CUMBERLAND COUNTY, NEW JERSEY)
CITY GENERAL OBLIGATION LEASE REVENUE BONDS
(BRIDGETON FIRE STATION PROJECT), SERIES 2024
(CALLABLE)

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

Maturity (December 1)*	Principal Amount*	Interest Rate	Yield	CUSIP**
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				

** Preliminary, subject to change*
*** CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of the Series 2024 Bonds holders only at the time of issuance of the Series 2024 Bonds and the Authority and the City do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after issuance of the Series 2024 Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2024 Bonds.*

THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
745 Lebanon Road
Millville, New Jersey 08332

AUTHORITY MEMBERS

Name	Position
Albert B. Kelly	Chairman
Shelly Schneider	Vice Chairman
Dale K. Jones	Secretary
Jason P. Scythes	Treasurer
T. Carl Hemple	Assistant Treasurer

PRESIDENT/CEO

Gerard Velazquez, III

GENERAL COUNSEL

Archer & Greiner, P.C.
Haddonfield, New Jersey

AUDITOR

Romano, Hearing, Testa & Knorr
Vineland, New Jersey

BOND COUNSEL

Parker McCay P.A.
Mount Laurel, New Jersey

MUNICIPAL ADVISOR

Phoenix Advisors, LLC
Bordentown, New Jersey

TRUSTEE, REGISTRAR AND PAYING AGENT

U.S. Bank Trust Company, National Association
Edison, New Jersey

CITY OF BRIDGETON
IN THE COUNTY OF CUMBERLAND, NEW JERSEY
181 E. Commerce Street
Bridgeton, New Jersey 08302

MAYOR

Albert B. Kelly

CITY COUNCIL MEMBERS

Edward Bethea ..... President
Rosemary DeQuinzio ..... Councilwoman
J. Curtis Edwards ..... Councilman
David Gonzalez ..... Councilman
Marian King ..... Councilwoman

CITY OFFICIALS

Kevin C. Rabago, Sr.
Business Administrator

Trisha McGahhey
Chief Financial Officer

Michele Gibson, Esquire
City Solicitor

CITY AUDITOR

Bowman & Company LLP
Voorhees, New Jersey

CITY BOND COUNSEL

McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

MUNICIPAL ADVISOR

Acacia Financial Group, Inc.
Mt. Laurel, New Jersey

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APPENDIX C — Forms of Principal Financing Documents
APPENDIX D — Proposed Form of Opinion of Bond Counsel
APPENDIX E — Forms of Continuing Disclosure Agreements
APPENDIX F — Specimen Municipal Bond Insurance Policy

The information which is set forth herein has been provided by The Cumberland County Improvement Authority (the "Authority"), the City of Bridgeton, County of Cumberland, New Jersey (the "City"), The Depository Trust Company, Brooklyn, New York ("DTC"), and by other sources which are believed to be reliable by the Authority, but the information provided by such sources is not guaranteed as to accuracy or completeness by the Authority. Certain general and financial information concerning the City is contained in APPENDICES "A" and "B" to this Official Statement. Such information has been furnished by the City. The Authority has not confirmed the accuracy or completeness of information relating to the City and the Authority disclaims any responsibility for the accuracy or completeness thereof.

Raymond James & Associates, Inc. (the "Underwriter") has provided the following sentence for inclusion in the Official Statement: The Underwriter has reviewed the Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Where the Constitution or statutes of the State of New Jersey are referred to, reference should be made to such Constitution or statutes for a complete statement of the matters referred to.

This Official Statement is submitted in connection with the sale of the Series 2024 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

No dealer, broker, salesman or any other person has been authorized by the Authority or 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 Series 2024 Bonds, and if given or made, such other 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 a solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the City since the date hereof.

Neither the Bond Resolution (as defined in the Indenture) nor the Indenture has been qualified under the Trust Indenture Act of 1939 and upon issuance, the Series 2024 Bonds will not be registered under the Securities Act of 1933, as amended, in reliance upon exemptions in such laws. The Series 2024 Bonds will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the Authority (subject to the limitations set forth above), will have passed upon the accuracy or adequacy of this Official Statement.

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

This Official Statement is not to be construed as a contract or agreement between the Authority, the City, the Underwriter and the purchaser or the holder of any of the Series 2024 Bonds.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2024 BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2024 BONDS AT LEVELS ABOVE THOSE

WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY UPON THEIR OWN EXAMINATION OF THE AUTHORITY, THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2024 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM") MAKES NO REPRESENTATION REGARDING THE SERIES 2024 BONDS OR THE ADVISABILITY OF INVESTING IN THE SERIES 2024 BONDS. IN ADDITION, BAM HAS NOT INDEPENDENTLY VERFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING BAM, SUPPLIED BY BAM AND PRESENTED UNDER THE HEADING "BOND INSURANCE" AND "APPENDIX F – SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

OFFICIAL STATEMENT

Relating to

$3,000,000*
THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY
(CUMBERLAND COUNTY, NEW JERSEY)
CITY GENERAL OBLIGATION LEASE REVENUE BONDS
(BRIDGETON FIRE STATION PROJECT), SERIES 2024
(CALLABLE)

INTRODUCTION

This Official Statement, which includes the cover page hereof and the Appendices attached hereto, is furnished by The Cumberland County Improvement Authority (the "Authority"), a public body corporate and politic and a political subdivision of the State of New Jersey (the "State"), to provide certain information relating to: (i) the Authority; (ii) the project described herein under the heading "THE 2024 PROJECT"; (iii) the City of Bridgeton, County of Cumberland, New Jersey (the "City"); and (iv) the $3,000,000* aggregate principal amount of City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2024 (the "Series 2024 Bonds") to be issued by the Authority.

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 Indenture (as hereinafter defined) or the Lease Agreement (as hereinafter defined).

U.S. Bank Trust Company, National Association, Edison, New Jersey has been appointed by the Authority to serve as trustee, paying agent and registrar (the "Trustee", the "Paying Agent" and the "Registrar") for the Series 2024 Bonds pursuant to the Indenture of Trust, dated as of October 1, 2024 (the "Indenture"), between the Authority and the Trustee.

The Series 2024 Bonds shall be special and limited obligations of the Authority payable solely from and secured by its interest in the Pledged Property (as hereinafter defined), which includes, *inter alia*: (i) Revenues (as hereinafter defined) which includes, among other things, the Lease Payments (as defined in the hereinafter defined Lease Agreement) to be paid by the City under the Lease Agreement between the Authority and the City dated as of October 1, 2024 (the "Lease Agreement"); (ii) the Funds and Accounts established under the Indenture (other than the Rebate Fund), including Investment Securities held in any such Funds or Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or redemption price of and interest on the Series 2024 Bonds in accordance with the terms and provisions of the Indenture. The City's payment obligations created under the Lease Agreement shall be a direct, general, irrevocable and unconditional obligation of the City payable from any source legally available to the City, including, without limitation, the general tax revenues of the City, and the City shall, if necessary, levy *ad valorem* taxes upon all the taxable property within the jurisdiction of the City for the payment of such obligations, without limitation as to rate or amount. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS" herein.

Copies of the Indenture and the Lease Agreement are on file at the offices of the Authority in Millville, New Jersey and at the principal corporate trust office of the Trustee in Edison, New Jersey, and reference is made to such documents for the provisions relating to, among other things, the terms of and the

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* *Preliminary, subject to change*

security for the Series 2024 Bonds, the custody and application of the proceeds of the Series 2024 Bonds, the rights and remedies of the holders of the Series 2024 Bonds, and the rights, duties and obligations of the Authority, the City and the Trustee.

There follows in this Official Statement brief descriptions of the Series 2024 Bonds, the Indenture, the Lease Agreement and the Authority. Certain information concerning the City is attached to this Official Statement as APPENDIX "A". The audited financial statements of the City for the years ending December 31, 2023, 2022, 2021, 2020 and 2019, are attached to this Official Statement as APPENDIX "B". The Authority has not confirmed the accuracy or completeness of the information relating to the City and the Authority disclaims any responsibility for the accuracy or completeness thereof.

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.

AUTHORIZATION FOR THE SERIES 2024 BONDS AND LEASE AGREEMENT

The Series 2024 Bonds are issued pursuant to: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State (*N.J.S.A.* 40:37A-44 *et seq.),* and the acts amendatory thereof and supplemental thereto (the "Act"); (ii) a bond resolution of the Authority duly adopted on August 28, 2024 (the "Resolution"); and (iii) the Indenture.

The financing plan of the Authority regarding the 2024 Project (as hereinafter defined), the Series 2024 Bonds and the Lease Agreement was reviewed by the Local Finance Board of the Division of Local Government Services within the State Department of Community Affairs (the "Local Finance Board") at a meeting held on August 14, 2024. On said date, the Local Finance Board passed a resolution which stated, *inter alia*, that the method proposed for the funding of the costs of the 2024 Project and the terms of the financing were not unreasonable or impracticable and would not impose an unnecessary financial burden on the inhabitants within the City's jurisdiction.

In accordance with *N.J.S.A.* 40:37A-56, the County will authorize the undertaking of the 2024 Project by the Authority and the issuance by the Authority of the Series 2024 Bonds pursuant to a resolution to be adopted by the Board of County Commissioners on October 1, 2024.

In connection with the issuance of the Series 2024 Bonds and the undertaking of the City's obligations under the Lease Agreement, the City Council of the City duly and finally adopted an ordinance in which it pledged the full faith and credit of the City to the punctual payment of all payments due by the City under the Lease Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – Lease Agreement" herein.

PLAN OF FINANCE

The Series 2024 Bonds are being issued by the Authority to provide funds which will be used to finance: (i) the costs of the undertaking and completing further capital improvements (the "New Improvements") to the approximately 30,000 square foot new fire station facility (the "Facility") located on certain real property owned by the City located at 168 East Commerce Street in the City, said property being shown as Lot 1 in Block 121 on the Tax Map of the City (the "Project Site"); (ii) the costs of furnishing and equipping the New Improvements; (iii) all other costs and expenses necessary for or related to the development, construction and equipping of the New Improvements (items (i) through (iii) are collectively referred to herein as the "2024 Construction Project"); (iv) capitalized interest on the Series 2024 Bonds and funding of any reserve funds, as may be necessary; and (v) the costs of issuance with respect to the

financing (items (i) through (iv) are collectively referred to herein as the "2024 Project"). Additional information regarding the 2024 Project appears below under the heading "THE 2024 PROJECT".

Pursuant to an existing Lease Agreement, dated December 1, 2021 ("Existing Lease"), between the Authority and the City, the Authority has: (i) leased the Project Site from the City and has heretofore developed and constructed the Facility on behalf the City; and (ii) leased the Facility to the City. In connection with the issuance of the Series 2024 Bonds, the Authority shall: (i) continue to lease the Project Site from the City pursuant to the Existing Lease; and (ii) pursuant to and in accordance the Lease Agreement, lease the 2024 Construction Project (as part of the Facility) to the City.

Pursuant to the Lease Agreement, the City will make certain Lease Payments (as defined in the Lease Agreement) to the Authority in an aggregate amount equal to the principal, redemption premium, if any, and interest on the Series 2024 Bonds as well as applicable Additional Lease Payments (as defined in the Lease Agreement) as the same become due and payable on each Lease Payment Date (as defined in the Lease Agreement). The Lease Payments to the Authority by the City are required to be made at the times and in an aggregate amount necessary to pay the principal or Redemption Price of and interest on the Series 2024 Bonds, when due. The Lease Payments received by the Authority will be pledged by the Authority to secure the Series 2024 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS" herein.

THE 2024 PROJECT

The 2024 Construction Project will be part of the Facility, and the Facility will be located on the Project Site. The Project Site will accommodate the City's fire department, emergency medical services, department staff parking, and other department support vehicles. Pursuant to a Project Development Agreement between the City and the Authority, the Authority will act as general contractor for the 2024 Construction Project.

Pursuant to the Existing Lease, the City has conveyed to the Authority a ground leasehold interest in and to the Project Site for the construction of the Facility and the 2024 Construction Project for a period of time not less than the term of the Series 2024 Bonds. In accordance with the Existing Lease Agreement and the Lease Agreement, the Authority will own the Facility and the 2024 Construction Project during the term of the Series 2024 Bonds and lease same to the City pursuant to the Existing Lease and the Lease Agreement, respectively. Upon final maturity of the Series 2024 Bonds: (i) the Authority will transfer ownership of the Facility and the 2024 Construction Project to the City; and (ii) the ground lease interest of the Authority in the Project Site shall terminate.

DESCRIPTION OF THE SERIES 2024 BONDS

General

The Series 2024 Bonds are issuable as fully registered bonds. The Series 2024 Bonds will mature on the dates and bear interest at the rates set forth on the inside front cover page of this Official Statement and will be issued in book-entry only form. Individual purchases of the Series 2024 Bonds will be made in book-entry only form (without certificates) in denominations of $5,000 or any integral multiple thereof. So long as The Depository Trust Company, Brooklyn, New York ("DTC") or its nominee, Cede & Co., is the registered owner of the Series 2024 Bonds, payments of the principal or Redemption Price of, and interest on, the Series 2024 Bonds will be made directly to Cede & Co., as nominee for DTC. Disbursement of such payments to the participants of DTC (the "DTC Participants") is the responsibility of DTC and disbursement of such payments to the Beneficial Owners (as defined herein) of the Series 2024 Bonds is the responsibility of the DTC Participants and not the Authority or the Trustee. See "DESCRIPTION OF THE SERIES 2024 BONDS - Book-Entry Only System" below. In the event that the Series 2024 Bonds are no longer subject

to the DTC Book-Entry Only System, the principal or Redemption Price of the Series 2024 Bonds will be payable upon surrender of the respective Series 2024 Bonds at the principal corporate trust office of the Trustee or at any other place that may be provided for such payment by the appointment of any other Trustee under the Indenture.

Interest on the Series 2024 Bonds, calculated on the basis of a 360-day year of twelve (12) thirty (30) day months, is payable on June 1 and December 1 (each, an "Interest Payment Date") of each year, commencing on June 1, 2025, by check or draft of the Trustee, or, in the case of owners of $1,000,000 or more in principal amount of Series 2024 Bonds which have submitted to the Trustee a written request therefor, by wire transfer of immediately available funds. Principal or Redemption Price of the Series 2024 Bonds will be paid, when due, upon presentation and surrender of the Series 2024 Bonds at the principal corporate trust office of the Trustee. Interest on any Series 2024 Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name the Series 2024 Bond is registered at the close of business on the 15th day of the calendar month immediately preceding an Interest Payment Date (whether or not a business day) (the "Record Date").

Any interest on any Series 2024 Bond which is payable, but is not punctually paid or provided for, on any Interest Payment Date (herein called "Default Interest") shall forthwith cease to be payable to the person who is the Registered Owner on the relevant regular Record Date, and such Default Interest shall be paid to the person in whose name the Series 2024 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) days nor less than ten (10) days prior to the date of proposed payment (the "Default Interest Payment Date"), and which Special Record Date shall be fixed by the Trustee within ten (10) days after the receipt by the Trustee of the written notice of the proposed payment from the Authority.

Optional Redemption

The Series 2024 Bonds maturing prior to December 1, 20[__] are not subject to redemption prior to their stated maturity dates. The Series 2024 Bonds maturing on and after December 1, 20[__] are subject to redemption prior to maturity at the option of the Authority, on or after December 1, 20[__], as a whole or in part on any date in such order of maturities as the Authority may direct and within a maturity by lot (or other customary method of selection determined by the Trustee) at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2024 Bonds to be redeemed ("Redemption Price"), together with interest accrued to the redemption date, upon notice as set forth in the Indenture and described below.

Notice of Redemption

The Trustee shall give notice, in the name of the Authority, of the redemption of Series 2024 Bonds called for redemption, which notice shall specify the maturities of the Series 2024 Bonds to be redeemed, the Redemption Price, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2024 Bonds are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2024 Bonds so to be redeemed and, in the case of Series 2024 Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2024 Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Series 2024 Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to registered owners of any Series 2024 Bonds or portions of Series 2024 Bonds which

are to be redeemed, at their last addresses appearing upon the registry books. Failure to give notice by mail or any defect in the notice to the registered owner of any Series 2024 Bonds which are to be redeemed shall not affect the validity of the proceedings for the redemption of any other Series 2024 Bonds. Any notice which is mailed in the manner described above shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice. So long as the Series 2024 Bonds are in registered in the name of Cede, as nominee of DTC, all notices with respect to the Series 2024 Bonds shall be given to DTC.

Book-Entry Only System[1]

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Series 2024 Bonds, payment of principal and interest, and other payments on the Series 2024 Bonds to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Series 2024 Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Authority. Accordingly, the Authority does not make any representations as to the completeness or accuracy of such information.

DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Series 2024 Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

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

Purchases of the Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing

[1] Source: The Depository Trust Company

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 Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds within a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority or its designated Paying Agent 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 Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or its designated Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or its designated Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the Authority or its designated Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2024 Bond certificates will be printed and delivered to DTC.

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

THE AUTHORITY, THE CITY, THE TRUSTEE AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS DIRECT OR INDIRECT PARTICIPANTS OR THAT DIRECT OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE SERIES 2024 BONDS (1) PAYMENTS OF THE PRINCIPAL OF REDEMPTION PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2024 BONDS, (2) CONFIRMATION OF OWNERSHIP INTERESTS IN THE SERIES 2024 BONDS, OR (3) REDEMPTION OR OTHER NOTICES, 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. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC, AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH ITS PARTICIPANTS ARE ON FILE WITH DTC.

NONE OF THE AUTHORITY, THE CITY, THE TRUSTEE OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OF THE SERIES 2024 BONDS WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER WITH RESPECT TO THE PRINCIPAL OF OR REDEMPTION PRICE OR INTEREST ON ANY SERIES 2024 BONDS; (3) THE DELIVERY BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO THE HOLDERS OF THE SERIES 2024 BONDS; (4) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2024 BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2024 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2024 BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2024 BONDS.

Discontinuance of Book-Entry-Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Series 2024 Bonds, the following provisions would apply: (i) the Series 2024 Bonds may be exchanged for an equal aggregate principal amount of bonds in other authorized denominations, of the same maturity, upon surrender thereof at the designated corporate trust office of the Paying Agent; (ii) the transfer of any Series 2024 Bonds may be registered on the books maintained by the Paying Agent for such purpose only upon the surrender thereof to the Paying Agent together with the duly

executed assignment in form satisfactory to the Authority and the Paying Agent; and (iii) for every exchange or registration of transfer of Series 2024 Bonds, the Paying Agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Series 2024 Bonds. Interest on the Series 2024 Bonds will be payable by check or draft, mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the Record Date, whether or not a business day.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS

General

The Series 2024 Bonds shall be special and limited obligations of the Authority payable solely from and secured by its interest in the Pledged Property (as described below and as defined in the Indenture). The Series 2024 Bonds are not payable from general funds of the Authority and shall not constitute a legal or equitable pledge or lien or encumbrance upon any of the assets or property of the Authority or upon any of its income, receipts, or revenues, except as provided in the Indenture. The full faith and credit of the Authority are not pledged, either expressly or by implication, to the payment of the Series 2024 Bonds. The Authority has no taxing power. The Authority has no claim on revenues or receipts of the State or any agency or political subdivision thereof (except the City to the extent of the City's obligations under the Lease Agreement).

"Revenues" are defined in the Indenture to mean: (i) all amounts, including Lease Payments, received by the Authority from the City under the Lease Agreement (except for Additional Lease Payments), and any other agreement with respect to any Additional Project; (ii) any moneys or securities held pursuant to the Indenture and paid or required to be paid into the Debt Service Fund; (iii) any payments made by the City to the Authority pursuant to the Indenture; (iv) interest received on any moneys or Investment Securities held under the Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to the Indenture; and (v) 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 pursuant to a Supplemental Indenture.

"Pledged Property" is defined in the Indenture to mean: (i) the Revenues; (ii) the Funds and Accounts established under the Indenture (other than the Rebate Fund), including Investment Securities held in any such Funds or Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Series 2024 Bonds in accordance with the terms and provisions of the Indenture.

Under the Indenture, Refunding Bonds on parity with the Series 2024 Bonds may be issued for the refunding of any Bonds outstanding under the Indenture. See APPENDIX "C" for the requirements that must be met prior to the issuance of Refunding Bonds.

The Lease Payments to be made by the City pursuant to the Lease Agreement are equal to the amount of the principal or Redemption Price of, and interest on, the Series 2024 Bonds due on each Lease Payment Date together with, as applicable, Additional Lease Payments (including, but not limited to, administrative expenses of the Authority with respect to the Series 2024 Bonds incurred by the Authority from time to time) as and when the same become due and payable upon demand pursuant to the terms of the Lease Agreement. Pursuant to the Lease Agreement, the City has covenanted to budget in each fiscal year amounts for the purpose of satisfying the Lease Payments to be made by the City to the Authority pursuant to the terms of the Lease Agreement. Nevertheless, the payment obligations created under the Lease Agreement are direct, general, irrevocable and unconditional obligations of the City payable from any source legally available to the City, including, without limitation, the general tax revenues of the City

and the City shall, if necessary, levy *ad valorem* taxes upon all taxable property within the jurisdiction of the City for the payment of such obligations without limitation as to rate or amount. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – Lease Agreement" herein.

The Lease Payments (excluding Additional Lease Payments) include only scheduled payments of principal of the Series 2024 Bonds (including Sinking Fund Installments, if any, and payments of principal upon maturity of serial maturity Series 2024 Bonds) and scheduled payments of interest on the Series 2024 Bonds.

No recourse shall be had for the payment of the principal of or interest on the Series 2024 Bonds or for any claim based thereon or on the Indenture against any member or officer of the Authority, the City or any person executing the Series 2024 Bonds. No member, officer or employee of the Authority or the City or any person executing the Series 2024 Bonds shall be liable personally on the Series 2024 Bonds by reason of the issuance thereof.

The security interest granted and the pledge and assignment made in the Indenture and the covenants and agreements therein set forth to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the holders of any and all of the Series 2024 Bonds and any Additional Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Series 2024 Bonds or Additional Bonds over any other thereof, all except as expressly provided in or permitted by the Indenture.

Lease Agreement

The Authority and the City have entered into the Lease Agreement in order to secure the Series 2024 Bonds. With respect to the Series 2024 Bonds, pursuant to the terms of the Lease Agreement, the City is required to make Lease Payments to the Authority on each Lease Payment date in an amount equal to the debt service payable on the Series 2024 Bonds on the immediately succeeding Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as the case may be, subject to a credit for investment earnings and certain other amounts received by the Trustee as provided therein. Lease Payment Dates occur thirty (30) days prior to each Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as applicable. In addition, the City is required to make Additional Lease Payments to cover certain administrative expenses of the Trustee and the Authority and other professional fees and the Rebate Amount, if any.

The Lease Agreement provides that the cost and expense of the performance by the City of its obligations under the Lease Agreement and the incurrence of any liabilities of the City under the Lease Agreement including, without limitation, the obligation for the payment of all Lease Payments and all other amounts required to be paid by the City under the Lease Agreement is a direct and general obligation for which the full faith and credit of the City is pledged, which obligation is **not** subject to City appropriation and, unless the Lease Payments and such other amounts required to be paid by the City under the Lease Agreement are paid from other sources, the City shall be obligated to levy *ad valorem* taxes on all taxable property within the jurisdiction of the City without limitation as to rate or amount.

The City Council of the City duly and finally adopted an ordinance on July 30, 2024, authorizing the execution and performance on behalf of the City of the City's obligations under the Lease Agreement and the pledge of the City's full faith and credit to the payment of the Lease Payments when due.

An Event of Default under the Lease Agreement shall not give rise to an Event of Default under the Indenture.

RISK FACTORS

The purchase of the Series 2024 Bonds 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 the risks associated with investing in the Series 2024 Bonds. Moreover, the discussion herein of risks to the owners of the Series 2024 Bonds is not intended as dispositive, comprehensive or definitive, but rather is intended to summarize certain matters which could affect payment on the Series 2024 Bonds. Accordingly, prior to making a decision to invest in the Series 2024 Bonds, 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.

IMPACT OF 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 new strain of coronavirus ("Coronavirus" or "COVID-19"). A national emergency was declared by the President of the United States ("President") (which has since been terminated), to provide federal intervention for the mitigation of the Coronavirus as a public health emergency and to unlock federal funds and assistance to help states and local governments manage the pandemic. On March 9, 2020, the Governor of the State of New Jersey ("Governor") issued Executive Order 103, pursuant to which the Governor declared a State of Emergency and a Public Health Emergency, thereby allowing State agencies and departments to utilize State resources to assist affected communities in response to the COVID-19 outbreak.

The federal Public Health Emergency was terminated on May 11, 2023, but the State of Emergency for the State remains in effect as of the date hereof. Other Executive Orders (some of which have since been modified or rescinded) limited various activities and undertook measures in an attempt to slow the spread of COVID-19 throughout the State. These measures, which impacted the behavior of businesses and individuals, have had, and may continue to have, impacts on regional, state, and local economies. *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 an effort to provide relief to entities impacted by the COVID-19 pandemic, the American Rescue Plan Act of 2021, H.R. 1319 ("Plan") was signed into law by President Biden on March 12, 2021, and provides $1.9 trillion in financial assistance to businesses, individuals and governmental entities. In particular, the Plan includes various forms of financial relief, including up to a $1,400 increase in direct stimulus payments to individuals 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 also provides funding for state and local governments to recoup and offset costs related to COVID-19 and to encourage and re-establish economic development and certain infrastructure improvements.

Pursuant to the funding methodology under the Plan, the City received approximately $8,255,513 in funding ("Plan Funds"), all of which must be encumbered by December 31, 2024, and fully expended by December 31, 2026. Such funds were received in two (2) equal payments; one (1) received within 60 days of enactment of the Plan, and the balance was received no earlier than 12 months from the initial payment. Pursuant to the Plan (codified as Section 603(c) of the Social Security Act (42 U.S.C. 603(c)), Plan Funds may be utilized to: (i) respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality; (ii) respond to workers performing essential work during

the COVID-19 public health emergency by providing premium pay to eligible workers of the County that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work; (iii) provide government services to the extent of the reduction in revenue due to the public health emergency relative to revenues collected in the most recent full fiscal year of the County prior to the emergency; and (iv) make necessary investments in water, sewer or broadband infrastructure. Plan Funds may not, however, be utilized for debt service, legal settlements or judgments or financial reserves.

As the City's financial information appearing in APPENDIX "B" indicates, the COVID-19 pandemic has not had a material impact on the City's finances through the end of fiscal year 2023. In addition, through the fiscal year ended 2023, the COVID-19 pandemic has not had a material adverse impact on the finances of the Authority.

While the effects of COVID-19 have abated significantly in the State, the Authority and the City cannot predict, and do not predict, whether or if COVID-19, or any similar viral disease (including any variants or sub-variants 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 Authority and the County.

CYBER SECURITY

The Authority and the City each rely on a complex technology environment to conduct their respective various operations. As a result, the Authority and the City face certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on their computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the Authority and the City have each invested in multiple forms of cybersecurity and operational safeguards.

CLIMATE CHANGE

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as "climate change"), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the Authority and the City as well as resulting in economic impacts such as loss of *ad valorem* tax revenue, interruption of municipal services and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the Authority or the City.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2024 Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Series 2024 Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Series 2024 Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Series 2024 Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Series 2024 Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Series 2024 Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Series 2024 Bonds, nor does it guarantee that the rating on the Series 2024 Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2024 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $486.0 million, $232.7 million and $253.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Series 2024 Bonds or the advisability of investing in the Series 2024 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted here from, other than with respect to the

accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

*Credit Insights Videos***.** For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

*Credit Profiles***.** Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Series 2024 Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Series 2024 Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Series 2024 Bonds, whether at the initial offering or otherwise.

MARKET PROTECTION

Neither the Authority nor the City plan to issue any additional bonds, notes or other debt obligations during calendar year 2024 following the issuance of the Series 2024 Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2024 Bonds:

Sources of Funds:	
Principal Amount of Series 2024 Bonds	$_____
Original Issue [Premium][Discount]	$_____
TOTAL SOURCES OF FUNDS	$_____
Uses of Funds:	
Deposit to Revenue Fund	$_____
Deposit of Capitalized Interest to Debt Service Fund	$_____
Costs of Issuance*	$_____
TOTAL USES OF FUNDS	$_____

* Consists of Underwriter's discount along with legal, municipal advisory, dissemination agent, printing, rating agency, accounting, bond insurance premium, Trustee and Authority fees and other fees and expenses allocable to the Series 2024 Bonds.

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DEBT SERVICE REQUIREMENTS OF THE SERIES 2024 BONDS

Year Ending (December 31)	Series 2024 Bonds Principal	Series 2024 Bonds Interest[*]	Total Debt Service**
2025	$	$	$
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
Total:			

[*Includes interest to be capitalized on the Series 2024 Bonds through _____, 2025.]

** Includes the Series 2024 Bonds only; the Authority and the City have other outstanding indebtedness. With respect to the Authority, see "THE AUTHORITY – Outstanding Authority Bonds" herein. With respect to the City, see APPENDICES "A" and "B".

THE AUTHORITY

Creation and Powers

The Authority is a public body corporate and politic of the State and was created by a resolution of the Board of County Commissioners of the County of Cumberland, New Jersey (the "County") adopted on December 30, 1980, pursuant to the Act.

The Authority has broad powers under the Act including, among others, the following: to sue and be sued; to enter into leases and contracts; to acquire property by any lawful means, including the exercise of the power of eminent domain; to hold, operate and administer its property; to issue its negotiable bonds and to secure their payment and the rights of holders thereof under a bond resolution; to enter into contracts; to charge and collect charges for use of its facilities and to revise such charges which the Act requires to be charged such that the revenues of the Authority will at all times be adequate to pay all administrative expenses, to pay punctually the principal of and interest on any bonds and to maintain reserves and sinking funds therefor, as may be required by the terms of any contracts with Bondholders; and to make and enforce rules and regulations for the management of its business and affairs.

The Authority was established as an instrumentality of the State for, among other purposes, the purpose of providing for the construction of public buildings, transportation facilities, the acquisition of equipment and the acquisition of property owned by the federal government. Subsequent amendments to the Act permit the Authority to provide for the construction of convention halls, solid waste disposal facilities, recreational/entertainment centers, low- and moderate-income housing, to plan, initiate and carry out redevelopment projects and to provide financing on behalf of certain non-profit entities. The Authority currently is the implementing agency for the County's Solid Waste Management Plan and develops and administers solid waste and recycling facilities and programs in the County, including a 75-acre landfill and a pretreatment facility.

The Authority's mailing address is 745 Lebanon Road, Millville, New Jersey 08332.

Management

The governing body of the Authority consists of five members appointed by the Board of County Commissioners of the County. The Authority's staff is supervised by the Authority's President/Chief Executive Officer. Gerard Velazquez, III has served as President/Chief Executive Officer of the Authority since April 1, 2013. The present members of the governing body of the Authority, their offices and the expiration dates of their terms as members are as follows:

Name	Office	Expiration of Term
Albert B. Kelly	Chairman	February 2025
Shelly Schneider	Vice Chairman	February 2026
Dale K. Jones	Secretary	February 2027
Jason P. Scythes	Treasurer	February 2028
T. Carl Hemple	Assistant Treasurer	February 2029

Outstanding Authority Bonds

In August 2006, the Authority issued its Solid Waste System Revenue Bonds (Series 2006), in the initial aggregate principal amount of $24,485,000 (the "Series 2006 Bonds"), to finance improvements to the Authority's solid waste complex and disposal system, along with other improvements. A portion of the Series 2006 Bonds were advance refunded by the Authority's $14,595,000 County Guaranteed Solid Waste System Revenue Refunding Bonds, Series 2015A (the "Series 2015A Bonds"). No Series 2006 Bonds remain outstanding. The Series 2015A Bonds are not secured by the Revenues or any other Pledged Property pledged under the Indenture as security for the Series 2024 Bonds. The payment of the principal of and the interest on the Series 2015A Bonds is guaranteed by the County pursuant to a guaranty agreement executed and delivered by the County and the Authority in connection with the issuance of the Series 2015A Bonds. As of July 1, 2024, $3,790,000 principal amount of Series 2015A Bonds remained outstanding.

In October 2009, the Authority issued its Local Unit Program Bonds (Vineland Electric Utility Project), Series 2009A and Local Unit Program Bonds (Vineland Electric Utility Project), Series 2009B (Federally Taxable – Issuer Subsidy – Build America Bonds) (collectively, the "Series 2009 Bonds") in the initial aggregate principal amount of $60,000,000. The Series 2009 Bonds were issued for the benefit of the City of Vineland, County of Cumberland, New Jersey (the "City of Vineland") and are secured by payments due to the Authority from the City of Vineland. The Series 2009 Bonds are not secured by the Revenues or any other Pledged Property pledged under the Indenture as security for the Series 2024 Bonds. As of July 1, 2024, the Series 2009 Bonds have been paid in full.

In May 2014, the Authority issued its County-Guaranteed Revenue Bonds (Facilities Acquisition Project), Series 2014, in the initial aggregate principal amount of $17,955,000 (the "Series 2014 Lease

Revenue Bonds"), to finance the construction of an employment and training facility and the acquisition of an office building. The Series 2014 Lease Revenue Bonds are not secured by the Revenues or any other Pledged Property pledged under the Indenture as security for the Series 2020 Bonds. The payment of the principal of and the interest on the Series 2014 Lease Revenue Bonds is guaranteed by the County pursuant to a guaranty agreement executed and delivered by the County and the Authority in connection with the issuance of the Series 2014 Lease Revenue Bonds. As of July 1, 2024, $12,915,000 principal amount of Series 2014 Lease Revenue Bonds remained outstanding.

In October 2014, the Authority issued its County General Obligation Revenue Bonds (Technical High School Project), Series 2014, in the aggregate principal amount of $63,890,000 (the "Series 2014 Technical School Bonds"), to finance the construction of a new County technical school. The Series 2014 Technical School Bonds are not secured by the Indenture or the Pledged Property. The payment of the principal of and the interest on the Series 2014 Technical School Bonds is secured by loan repayments to be made by the County to the Authority pursuant to a loan agreement executed and delivered by the County and the Authority in connection with the issuance of the Series 2014 Technical School Bonds, which loan agreement is secured by an unconditional general obligation bond of the County issued by the County to the Authority. The Series 2014 Technical School Bonds are not secured by the Revenues or any other Pledged Property pledged under the Indenture as security for the Series 2024 Bonds As of July 1, 2024, $23,015,000 principal amount of Series 2014 Technical School Bonds remained outstanding. A portion of the Series 2014 Technical School Bonds were refunded in 2020 by the Authority (as described below).

In August 2015, the Authority issued its Revenue Bonds (State Office Buildings Project), Series 2015, in the initial aggregate principal amount of $3,975,000 (the "Series 2015 State Office Building Bonds"), to finance the renovation of a portion of an existing facility in the County to be utilized through a lease by certain state agencies. The Series 2015 State Office Building Bonds are not secured by the Revenues or any other Pledged Property pledged under the Indenture as security for the Series 2024 Bonds. As of July 1, 2024, $2,150,000 principal amount of Series 2015 State Office Building Bonds remained outstanding.

In May 2017, the Authority issued indebtedness in connection with a financing involving the New Jersey Environmental Infrastructure Trust (now known as the New Jersey Infrastructure Bank) to finance a solid waste project (the "Series 2017A NJIB Bonds" and the "Series 2017B NJIB Bonds") at the Authority's Solid Waste Complex in Rosenhayn, New Jersey ("Solid Waste Complex"). Neither the Series 2017A NJIB Bonds nor the Series 2017B NJIB Bonds are secured by the Revenues, or any other Pledged Property pledged under the Indenture as security for the Series 2024 Bonds, but instead are security by solid waste revenue derived from the operation of the Solid Waste Complex and specifically pledge to the payment of such Series 2017A NJIB Bonds and Series 2017B NJIB Bonds. The Series 2017A NJIB Bonds and Series 2017B NJIB Bonds are also secured by the guaranty of the County. The Authority's Series 2017A NJIB Bonds and Series 2017B NJIB Bonds were initially issued in the aggregate principal amount of $10,185,515. As of July 1, 2024, $6,965,798.13 principal amount of the Series 2017A NJIB Bonds and the Series 2017B NJIB Bonds remained outstanding.

In October 2017, the Authority issued its Revenue Bonds (Office Building Acquisition Project), Series 2017 (Federally Taxable) in the principal amount of $12,000,000 (the "Series 2017 Office Building Bonds") to finance the acquisition of an existing industrial/office complex in the City of Vineland. The payment of the principal of and the interest on the Series 2017 Office Building Bonds is derived from lease payments made to the Authority by the tenants that rent space in the industrial/office complex. The Series 2017 Office Building Bonds are not secured by the Revenues or any other Pledged Property pledged under the Indenture as security for the Series 2024 Bonds. As of July 1, 2024, $4,375,000 principal amount of Series 2017 Office Building Bonds remained outstanding.

In December 2017, the Authority issued its City General Obligation Lease Revenue Bonds (Vineland Public Safety Building Project), Series 2017, in the initial aggregate principal amount of $21,935,000 (the "Series 2017 Vineland Public Safety Facility Bonds"), to finance the acquisition of property and the development and construction of a public safety facility in the City of Vineland. The payment of the principal of and the interest on the Series 2017 Vineland Public Safety Facility Bonds is derived from lease payments made by the City to the Authority. The Series 2017 Vineland Public Safety Facility Bonds are not secured by the Revenues or any other Pledged Property pledged under the Indenture as security for the Series 2024 Bonds. As of July 1, 2024, $20,005,000 principal amount of Series 2017 Vineland Public Safety Facility Bonds remained outstanding.

On September 13, 2018, the Authority issued its Revenue Bonds (Facilities Renovation Project), Series 2018, in the principal amount of $3,200,000 (the "Series 2018 Facilities Renovation Project Bonds") to finance various renovations and improvements to the existing industrial/office complex in the City of Vineland for use by the City of Vineland. The payment of the principal of and the interest on the Series 2018 Facilities Renovation Project is secured by lease payments to be made to the Authority by the City of Vineland. The Series 2018 Facilities Renovation Project Bonds are not secured by the Revenues or any other Pledged Property pledged under the Indenture as security for the Series 2024 Bonds. As of July 1, 2024, $2,366,000 principal amount of Series 2018 Facilities Renovation Project Bonds remained outstanding.

On December 13, 2018, the Authority issued its County Guaranteed Lease Revenue Bonds (County Correctional Facility Project), Series 2018, in the aggregate principal amount of $64,990,000 (the "Series 2018 Correctional Facility Project Bonds"), to finance the acquisition of property and construction of a holding center and criminal courtroom facility for use by the County. The Series 2018 Correctional Facility Project Bonds are not secured by the Indenture or the Pledged Property. The payment of the principal of and the interest on the Series 2018 Correctional Facility Project Bonds are secured by: (i) lease payments to be made to the Authority by the County of Cumberland; and (ii) a guaranty by the County pursuant to a guaranty agreement executed and delivered by the County and the Authority in connection with the issuance of the Series 2018 Correctional Facility Project Bonds. The Series 2018 Correctional Facility Bonds are not secured by the Revenues or any other Pledged Property pledged under the Indenture as security for the Series 2024 Bonds. As of July 1, 2024, $62,365,000 principal amount of Series 2018 Correctional Facility Project Bonds remained outstanding.

In January 2019, the Authority issued its County General Obligation Revenue Bonds (Technical High School Project), Series 2019, in the aggregate principal amount of $21,035,000 (the "Series 2019 Technical School Bonds"), to finance the construction of improvements and renovations to the County technical school. The Series 2019 Technical School Bonds are not secured by the Indenture or the Pledged Property. The payment of the principal of and the interest on the Series 2019 Technical School Bonds is secured by loan repayments to be made by the County to the Authority pursuant to a loan agreement executed and delivered by the County and the Authority in connection with the issuance of the Series 2019 Technical School Bonds, which loan agreement is secured by an unconditional general obligation bond of the County issued by the County to the Authority. The Series 2019 Technical School Bonds are not secured by the Revenues or any other Pledged Property pledged under the Indenture as security for the Series 2024 Bonds. As of July 1, 2024, $18,145,000 principal amount of Series 2019 Technical School Bonds remained outstanding.

In April 2019, the Authority issued its County Guaranteed Revenue Bonds (Authority Administration Building Project), Series 2019, in the aggregate principal amount of $4,970,000 (the "Series 2019 Administration Building Bonds"), to finance the acquisition of real property and construction of a new Authority administration building thereon. The Series 2019 Administration Building Bonds are secured by the pledged property set forth in the trust indenture under which such Series 2019 Administration

Building Bonds were issued ("2019 Indenture"). Pursuant to the 2019 Indenture, the "Pledged Property" thereunder includes, among other things, (i) available revenues of the Authority, not previously pledged as security for any existing series of bonds or which are hereafter pledged to any future series of bonds, and which available revenues are deposited by the Authority with the trustee of such Series 2019 Administration Building Bonds and (ii) any payments made by the County to the Authority pursuant to a guaranty provided by the County. The Series 2019 Administrative Building Bonds are not secured by the Revenues or any other Pledged Property pledged under the Indenture as security for the Series 2024 Bonds. As of July 1, 2024, $4,525,000 principal amount of Series 2019 Administration Building Bonds remained outstanding.

In April 2020, the Authority issued its Lease Revenue Bonds (Vineland Board of Education Project), Series 2020, in the principal amount of $3,165,000 (the "Series 2020 Vineland BOE Bonds"), to finance the expansion of the Vineland City School District's bus depot. The payment of the principal of and the interest on the Series 2020 Vineland BOE Bonds is derived from lease payments made by the Vineland City School District to the Authority. The Series 2020 Vineland BOE Bonds are not secured by the Revenues or any other Pledged Property pledged under the Indenture as security for the Series 2024 Bonds. As of July 1, 2024, $650,000 principal amount of Series 2020 Vineland Board of Education Project Bonds remained outstanding.

In July 2020, the Authority issued its General Obligation Revenue Refunding Bonds (Technical High School Project), Series 2020, in the principal amount of $31,335,000 (the "Series 2020 Technical High School Bonds"), for the purpose of advance refunding a portion of the outstanding principal amount of the Series 2014 Technical School Bonds and paying the cost of issuance and delivery of the Series 2014 Technical School Bonds. The Series 2020 Technical High School Bonds are not secured are not secured by the Revenues or any other Pledged Property pledged under the Indenture as security for the payment of the Series 2024 Bonds, but are secured by those certain revenues and other security specifically pledged pursuant to the bond resolution and/or indenture under which the Series 2014 Technical School Bonds were issued. As of July 1, 2024, $29,705,000 principal amount of Series 2020 Technical High School Project Bonds remained outstanding.

In December 2021, the Authority issued its City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2021 ("Series 2021 Bridgeton Fire Station Project Bonds"), in the principal amount of $7,495,000, for the purpose to finance the costs of the planning, design and construction of a new fire station facility for the City. The Series 2021 Bridgeton Fire Station Project Bonds are not secured by the Revenues or any other Pledged Property pledged under the Indenture as security for the payment of the Series 2024 Bonds, but are secured by those certain revenues and other security specifically pledged pursuant to the bond resolution and/or indenture under which such Series 2021 Bridgeton Fire Station Bonds were issued. The payment of the principal of and the interest on the Series 2021 Bridgeton Fire Station Project Bonds are secured by lease payments to be made to the Authority by the City of Bridgeton, which lease payments are a general obligation of the City. As of July 1, 2024, $7,350,000 principal amount of Series 2021 Bridgeton Fire Station Project Bonds remained outstanding.

In February 2022, the Authority issued its County Guaranteed Lease Revenue Bonds (Technical School Facility Acquisition Project), Series 2022, in the principal amount of $1,990,000, for the purpose of acquiring a facility located at 2745 South Delsea Drive, in the City, for use by the Cumberland County Board of Vocational Education and the County of Cumberland, New Jersey, for non-educational administrative purposes (the "Series 2022 Technical School Facility Acquisition Bonds). The Series 2022 Technical School Facility Acquisition Bonds are special and limited obligations of the Authority payable solely from: (i) certain lease payments made by the Technical School to the Authority pursuant to a lease agreement between the County and the Authority; (ii) amounts payable under a county guaranty of the County; and (iii) any other amounts received from any other source by the Authority as security for the payment of the Series 2022 Technical School Facility Acquisition Bonds. The Series 2022 Technical

School Facility Acquisition Bonds are not secured by the Revenues of any other Pledged Property pledged as security for the payment of the Series 2024 Bonds. As of July 1, 2024, $1,855,000 principal amount of Series 2022 Technical School Facility Acquisition Bonds remained outstanding.

On December 14, 2023, the Authority issued its County Guaranteed Revenue Bonds (State Police Barracks Project), Series 2023, in the aggregate principal amount of $6,300,000 (the "2023 State Police Barracks Bonds"), the proceeds of which were used by the Authority to develop, construct and equip an approximately 13,000 square foot Police Barracks facility to be operated by the New Jersey State Police ("Barracks Facility"). The 2023 State Police Barracks Bonds are special and limited obligations of the Authority payable solely from: (i) certain lease payments made by the State of New Jersey pursuant to a lease agreement between the State of New Jersey and the Authority; (ii) amounts payable under a county guaranty of the County; and (iii) any other amounts received from any other source by the Authority as security for the payment of the 2023 State Police Barracks Bonds. The 2023 State Police Barracks Bonds are not secured by the Revenues of any other Pledged Property pledged as security under the Indenture for the payment of the Series 2024 Bonds. As of July 1, 2024, $6,300,000 principal amount of 2023 State Police Barracks Bonds remained outstanding.

On December 15, 2023, the Authority issued indebtedness in connection with a financing involving the New Jersey Infrastructure Bank to finance a solid waste project (the "Series 2023A NJIB Bonds" and the "Series 2023B NJIB Bonds") at the Authority's Solid Waste Complex. Neither the Series 2023A NJIB Bonds nor the Series 2023B NJIB Bonds are secured by the Revenues, or any other Pledged Property pledged under the Indenture as security for the Series 2024 Bonds, but instead are secured by solid waste revenue derived from the operation of the Solid Waste Complex and specifically pledged to the payment of such Series 2023A NJIB Bonds and Series 2023B NJIB Bonds. The Series 2023A NJIB Bonds and Series 2023B NJIB Bonds are also secured by the guaranty of the County. The Authority's Series 2023A NJIB Bonds and Series 2023B NJIB Bonds were initially issued in the aggregate principal amount of $5,257,482. As of July 1, 2024, $5,257,482 principal amount of the Series 2023A NJIB Bonds and the Series 2023B NJIB Bonds remained outstanding.

LITIGATION

Authority

In the opinion of Archer & Greiner, P.C., Haddonfield, New Jersey, General Counsel to the Authority, there is no litigation pending or, to the best of their knowledge, threatened to restrain or enjoin the issuance or sale of the Series 2024 Bonds or in any way contesting the validity or affecting the authority for the issuance of the Series 2024 Bonds, the adoption of the Bond Resolution or the authorization, execution and delivery by the Authority of the Indenture, the Lease Agreement or any other financing document to which the Authority is a party, or the existence or powers of the Authority.

City

In the opinion of Michele Gibson, Esquire, City Solicitor, there is no litigation pending or, to the best knowledge of the City Solicitor, threatened to restrain or enjoin the City from entering into the Lease Agreement or in any way contesting or affecting the City Project, or which, if decided adversely to the City, would have a material and adverse impact on the financial condition of the City.

TAX MATTERS

ALL POTENTIAL PURCHASERS OF THE SERIES 2024 BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE TAX IMPLICATIONS OF THEIR INVESTMENT.

Federal Tax Matters

In the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority, assuming continuing compliance by the Authority and the City with their respective tax covenants described below, under existing law, interest on the Series 2024 Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and will not constitute a tax preference item for purposes of the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Series 2024 Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Series 2024 Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering its opinion, Bond Counsel has assumed continuing compliance by: (i) the Authority with the covenants contained in the Indenture, the Lease Agreement and in the Certificate as to Nonarbitrage and Other Tax Matters ("Nonarbitrage Certificate"); and (ii) the City with the covenants contained in the Lease Agreement and the Nonarbitrage Certificate, that each will comply with the applicable requirements of the Code. These covenants relate to, *inter alia,* the use and investment of proceeds of the Series 2024 Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Authority or the City to comply with such covenants could result in the interest on the Series 2024 Bonds being subject to federal income tax retroactive to the date of issue. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the Series 2024 Bonds that may affect the tax-exempt status of the interest thereon.

Ownership of the Series 2024 Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, controlled foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit and to individuals and families that qualify for a premium assistance credit under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Series 2024 Bonds constitutes disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Series 2024 Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit is in part determined by the household

income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Series 2024 Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by Banks, Thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Series 2024 Bonds are *not* "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the Series 2024 Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

New Jersey Tax Matters

Bond Counsel is also of the opinion that interest on the Series 2024 Bonds and any gain from the sale thereof are not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as presently enacted and construed.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in the New Jersey legislature that, if enacted, could alter or amend the Federal and New Jersey tax matters referred to above or adversely affect the market value or marketability of the Series 2024 Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether, if enacted, such proposals would apply to obligations issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value or marketability of the Series 2024 Bonds.

PROSPECTIVE PURCHASERS OF THE SERIES 2024 BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING ANY FEDERAL AND STATE INCOME TAX LEGISLATION, WHETHER CURRENTLY PENDING OR PROPOSED, REGULATORY INITIATIVES OR LITIGATION. THE OPINIONS EXPRESSED BY BOND COUNSEL ARE BASED UPON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE SERIES 2024 BONDS AND BOND COUNSEL HAS EXPRESSED NO OPINION AS OF ANY DATE SUBSEQUENT THERETO OR WITH RESPECT TO ANY PENDING LEGISLATION, REGULATORY INITIATIVES OR LITIGATION.

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

The Act sets forth the pledge and agreement that the State will not limit or alter the rights vested by the Act in the authorities organized thereunder to fix, establish, charge and collect service charges and to fulfill the terms of any agreements made with holders of obligations of authorities or in any way impair the rights and remedies of such holders, until such obligations, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged.

NEGOTIABILITY OF THE SERIES 2024 BONDS

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

SERIES 2024 BONDS NOT A DEBT OF THE STATE

The Series 2024 Bonds shall not in any way be a debt or liability of the State or any political subdivision thereof or create or constitute any indebtedness, liability or obligation of the State or any political subdivision thereof other than the obligation of: (i) the Authority, which has no taxing power, which obligation is limited to the Pledged Property and (ii) the City, to the extent of its Lease Payments, which shall be direct, general, irrevocable and unconditional obligations of the City payable from any source legally available to the City, including, without limitation, the general tax revenues of the City, and the City shall, if necessary, levy *ad valorem* taxes upon all the taxable property within the jurisdiction of the City for the payment of such obligations, without limitation as to rate or amount. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS" herein.

CONTINUING DISCLOSURE

In accordance with the provisions of Rule 15c2-12, as amended (the "Rule"), promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended, prior to the issuance of the Series 2024 Bonds: (i) the Authority will enter into a Continuing Disclosure Agreement (the "Authority Disclosure Agreement") with Phoenix Advisors, LLC, as dissemination agent (the "Authority Dissemination Agent"); and (ii) the City will enter into a Continuing Disclosure Agreement (the "City Disclosure Agreement") with Acacia Financial Group, Inc., as dissemination agent (the "City Dissemination Agent"), substantially in the forms set forth in APPENDIX "E" hereto.

With respect to a prior note issue by the City on November 12, 2021, the City entered into a previous undertaking for which it is an obligated party. The City failed to timely file a required notice on EMMA (as hereinafter defined). The notice was subsequently filed on December 1, 2021. The City has appointed Acacia Financial Group, Inc. to act as a continuing disclosure agent to assist in the filing of certain information on Electronic Municipal Market Access ("EMMA") as required with regard to its obligations.

Within the five (5) years immediately preceding the date of this Official Statement, the Authority previously failed to file, in accordance with the Rule, in a timely manner, under previous filing requirements: (i) notices of the incurrences of a financial obligation during fiscal years ending December 31, 2019 and 2020 (Equipment Lease Purchases in the amount of $200,000 and $1,650,000, respectively) and (ii) adopted budget for the “Facilities” (as defined in the Official Statement for the Series 2014 Lease Revenue Bonds) for the fiscal years ending December 2019 to 2023. Additionally, the Authority previously failed to file late filing notices in connection with (i) its untimely filings of notices of incurrence of a financial obligation and (ii) Facilities adopted budget, all as described above. Further, in certain instances the Authority may not have associated all filings with all outstanding issues for which such filings may have been required. Such notices of events and late filings have since been filed. The Authority appointed Phoenix Advisors, LLC in December of 2017 to serve as continuing disclosure agent.

MUNICIPAL BANKRUPTCY

The undertakings of the Authority and the City should be considered with reference to Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code"), 11 U.S.C. Sections 901 to 946. Under Chapter 9 of the Bankruptcy Code, a municipality, which is a political subdivision or public agency or instrumentality of a state, that is insolvent or unable to meet its debts may file a petition in a United States Bankruptcy Court (the "Bankruptcy Court") to adjust the debt of the municipality. Chapter 9 of the Bankruptcy Code does not permit the municipality to liquidate its assets and distribute the proceeds of its assets to its creditors. Chapter 9 of the Bankruptcy Code permits a financially distressed municipality to seek protection from its creditors by staying the commencement or continuation of certain actions against the municipality while it formulates and negotiates a plan of adjustment of its debts which can be binding on a dissenting minority of creditors if it is acceptable to the majority of creditors. Should the Authority or the City file a petition in the Bankruptcy Court under Chapter 9 of the Bankruptcy Code prior to the payment in full of the principal of and interest on the Series 2024 Bonds, the holders of the Series 2024 Bonds would be considered creditors and would be bound by the municipality's plan of adjustment of its debt.

Reference should also be made to *N.J.S.A.* 52:27-40 *et seq.* which provides that any "political subdivision" of the State as defined therein, which includes the Authority and the City, has the power to file a petition with the Bankruptcy Court under Chapter 9 of the Bankruptcy Code provided the "political subdivision" has obtained approval of the Local Finance Board. Section 903 of the Bankruptcy Code, 11 U.S.C. Section 903, specifically provides that Chapter 9 of the Bankruptcy Code does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality; provided, however, that a state law prescribing a method of composition of indebtedness of the municipality may not bind any creditor that does not consent to such composition and that a judgment entered under such state law may not bind a creditor that does not consent to such composition.

THE ABOVE REFERENCES TO THE BANKRUPTCY CODE ARE NOT TO BE CONSTRUED AS AN INDICATION THAT THE AUTHORITY OR THE CITY EXPECTS TO RESORT TO THE PROVISIONS OF SUCH BANKRUPTCY CODE OR THAT, IF THEY DID, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCES OF PAYMENT OF AND SECURITY FOR THE SERIES 2024 BONDS.

APPROVAL OF LEGAL PROCEEDINGS

The issuance by the Authority of the Series 2024 Bonds is subject to the approval of certain legal matters by Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority. The opinion of Bond Counsel is expected to be delivered in substantially the form included as APPENDIX "D" to this Official Statement. Certain legal matters will be passed on for the Authority by its counsel, Archer & Greiner, P.C., Haddonfield, New Jersey; for the City by Michele Gibson, City Solicitor and by McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, City Bond Counsel; and for the Underwriter by its counsel, Fleishman Daniels Law Offices, LLC, Linwood, New Jersey.

The various legal opinions and/or certifications to be delivered concurrently with the delivery of the Series 2024 Bonds 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.

LEGALITY FOR INVESTMENT

The Act provides that: (i) the State and all public officers, municipalities, counties, political subdivisions and public bodies and agencies thereof; (ii) 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 or investment business; (iii) all insurance companies, insurance associations, and other persons carrying on an insurance business; and (iv) all executors, administrators, guardians, trustees and other fiduciaries in the State may legally invest any sinking funds, moneys or other funds belonging to them or within their control in the obligations of authorities organized thereunder, including the Series 2024 Bonds, and that such obligations are authorized security for any and all public deposits.

RATINGS

The Series 2024 Bonds will be rated "AA" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") as a result of the issuance of the Policy by BAM. Additionally, Moody's Investors Service, Inc. ("Moody's" and together with S&P, the "Rating Agencies") has assigned an underlying rating of "A2" to the Series 2024 Bonds based upon the creditworthiness of the City.

Generally, Rating Agencies base their ratings on information and materials so furnished and on investigations, studies and assumptions by the rating agencies. The ratings assigned to the Series 2024 Bonds reflect only the views of the Rating Agencies at the time such ratings were issued, and an explanation of the significance of such ratings and the corresponding outlook may be obtained only from the Rating Agencies. Such ratings are not a recommendation to buy, sell or hold the Series 2024 Bonds and may be subject to revision or withdrawal at any time. There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely by the Rating Agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2024 Bonds.

None of the Authority, the City or the Underwriter has undertaken any responsibility to maintain any particular rating on the Series 2024 Bonds.

INDEPENDENT AUDITORS

The financial statements of the City for the years ended December 31, 2023, 2022, 2021, 2020 and 2019, have been audited by Bowman & Company LLP, Voorhees, New Jersey (the "City Auditor"). The financial statements of the City for such period, together with the City Auditor's report thereon, are included in APPENDIX "B" to this Official Statement.

UNDERWRITING

Raymond James & Associates, Inc. (the "Underwriter"), has agreed, pursuant to a Bond Purchase Contract with the Authority dated the date of this Official Statement (the "Bond Purchase Contract"), subject to certain conditions, to purchase the Series 2024 Bonds from the Authority. The purchase price for the Series 2024 Bonds shall be $_____ (representing the principal amount of the Series 2024 Bonds, plus original issue premium in the amount of $_____, less an Underwriter's discount in the amount of $_____). The Underwriter is obligated to purchase all of the Series 2024 Bonds if any Series 2024 Bonds are purchased. The obligation of the Underwriter to accept delivery of the Series 2024 Bonds is subject to various conditions contained in the Bond Purchase Contract.

The initial public offering yields for the Series 2024 Bonds may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Series 2024 Bonds to certain dealers (including dealers depositing bonds into investment trusts) and certain dealer banks acting as agents at yields higher than the public offering yields stated on the inside front cover page hereof for the Series 2024 Bonds.

MUNICIPAL ADVISOR

Phoenix Advisors, LLC, Bordentown, New Jersey has served as municipal advisor to the Authority with respect to this transaction (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 this 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.

CERTAIN RELATIONSHIPS

Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel to the Authority, and McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the City, from time to time provide legal services to the Underwriter in various matters unrelated to the Series 2024 Bonds or the transaction described in this Official Statement. The Underwriter may, from time to time, in the future have banking or other credit relationships with the Authority and the City.

APPENDICES

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

APPENDIX "B" to this Official Statement consists of the financial statements of the City for the years ended December 31, 2023, 2022, 2021, 2020 and 2019, together with the City Auditor's report thereon. Neither the Authority nor the Underwriter have confirmed the accuracy or completeness of said information, and the Authority and the Underwriter disclaim any responsibility for the accuracy or completeness thereof.

APPENDIX "C" to this Official Statement consists of the proposed forms of the Bond Resolution, Indenture and the Lease Agreement.

APPENDIX "D" to this Official Statement consists of the proposed form of opinion of Bond Counsel to the Authority.

APPENDIX "E" to this Official Statement consists of the forms of the Continuing Disclosure Agreements.

APPENDIX "F" to this Official Statement consists of a specimen copy of the municipal bond insurance policy.

MISCELLANEOUS

The execution and delivery of this Official Statement has been duly authorized by the Authority. Concurrently with the delivery of the Series 2024 Bonds, the Authority will furnish a certificate to the effect that nothing has come to the Authority's attention that would lead the Authority to believe that the Official Statement, in final form, contains any untrue statement of a material fact or omits to state any information necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. Certain information contained in the Official Statement has been obtained from sources other than the Authority. All quotations from and summaries and explanations of provisions of laws, statutes, resolutions and agreements herein do not purport to be complete and reference should be made to said laws, statutes, resolutions and agreements for a full and complete statement of their provisions.

This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or holders of any of the Series 2024 Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the Authority since the date hereof.

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

THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

By:_____
Gerard Velazquez, III
President/Chief Executive Officer

Dated: _____, 2024

APPENDIX A

CERTAIN INFORMATION CONCERNING THE CITY OF BRIDGETON

GENERAL INFORMATION ON THE CITY

History

The City of Bridgeton ("City"), as the County Seat for Cumberland County, is a 3-hour drive from the Washington DC/Baltimore metro area, 2 ½ hours from New York City, 1 hour from Atlantic City, and 45 minutes from Philadelphia. Situated in the western half of the county, the main traffic arteries include the east-west Route 49 and the north-south Route 77, both of which are two-lanes for their entire lengths. The City's size at 6.2 square miles sits approximately 25 miles from the Delaware Memorial Bridge, while Atlantic City is approximately 50 miles due east.

The history of the City goes back to the 1680's and like most communities, its early history was centered on access to water and for the community of that era, the primary water source was the Cohansey River. Saw mills became a prominent industry in addition to the existing agriculture in the area. Bridge construction over the Cohansey River in the early 1700's, which facilitated the movement of goods through South Jersey and beyond, established the City's name and place in the regional economy and provided stability and growth.

Throughout the 19th century and the first half of the 20th century, the City thrived with a diverse industrial-based economy. Early on, with abundant natural resources in the area such as silica sand, glass making thrived so that by the time of Civil War, there were approximately 15 glass houses operating in the City. The glass industry was a perfect complement to the agricultural industry around the City as improvements in canning technology made produce farming profitable through the 19th century. By the late 19th century, the City boasted thirteen canneries.

Produce streamed into the City from the surrounding farms for canning and transport. Canning remained a fixture in the City well into the 20th century, with fleets of tomato trucks arriving at the City's canning facilities from mid-summer on. It was the introduction of a frozen vegetable processing technique which spelled the end of the local canneries. One major early pioneer in frozen foods, CF Seabrook, set up operations five miles outside of the City as frozen food production required immediate field-to-freezer access and this facility was located next to Seabrook's farm in Upper Deerfield Township.

The City industry was further diversified in the late 19th and early 20th century by the presence of several foundries. The work of these iron foundries is evident from the cast-iron architectural elements on many of the City's more prominent buildings. The foundries made products for local and regional markets such as canning goods, iron agricultural equipment, and steam power apparatus. The post-war years of the mid-twentieth century brought other changes to the City, as it did many small cities across the country.

The Owens-Illinois glass plant opened in the City in 1930 and by the mid-1950's it became the largest employer in the City and the third largest glass making plant in the United States. At its peak, the Owens-Illinois workforce was fully one-fifth of the City's total population. At that time, much of the communities' economic, social, and cultural life was driven by and connected to the glasshouse.

That dominance, brought stability and prosperity to the City, but by the late 1980s, with downsizing and overseas out-sourcing, the Owens-Illinois workforce became a shadow of what it once was and ultimately the facility closed. With these changes, the City had to evolve yet again and that process is ongoing today.

Today, in the third decade of the 21st century, the City is still a regional center from state planning perspectives as well as being a County seat. The community has a role and identity that is quite different from what it was even a generation ago.

Economic Development

As with so much of society today, industries are specializing and this is driven by technology and innovation. Accordingly, the City is focused on the food industry and those efforts are geared toward projects such as developing the Florida Avenue Industrial Park into a “food industry cluster” that includes the Rutgers Food Innovation Center, a 23,000 square foot incubation facility for start-ups in the food industry and the Food Commercialization Center which is a 31,000 square foot facility that serves a food business “accelerator” for this start-up companies that have outgrown the Food Innovation Center.

Both facilities serve as landing spots for national companies needing to scale up as well as international companies desiring to become established in the U.S market. One example of its value to national companies was the arrival of Impossible Foods who perfected production of their “Impossible Burger” in 2016 into 2017 as they pursued growth on the East Coast and beyond. Several oversees companies have utilized these facilities as they become established in the U.S and achieve compliance with USDA requirements for food manufacturing.

Complementing these food industry assets are several food-related companies including Cumberland Dairy, which is owned by the Dairy Farmers of America and provides dairy products for such chains as McDonald’s and Wawa Stores. Cumberland Dairy/DFA recently completed a $20 million Phase I expansion and will be undertaking Phase II within the next 12 months. The total expansion, which will consist of four phases, is estimated to be $85 million. Other companies include White Wave, which produces the “Silk” milk product lines and Shoreline Freezers which is expanding its cold storage capacity.

The City is a diverse community and while there is much focus on the food industry, the City possesses other assets such as Bridgeton City Park and Zoo. At first glance, Bridgeton City Park might appear to be mainly a recreation amenity for residents, but Bridgeton City Park is also part of the City’s economic development strategy because of its potential.

Located next to the downtown and encompassing over 350 acres, Bridgeton City Park is being developed into a regional asset for a wider audience. The park to date features the Cohanzick Zoo, a municipal zoo with 100 animals accounting for 47 species. In addition to the Cohanzick Zoo, Bridgeton City Park features a splash park, miniature golf, a beach and lake, an amphitheater, a network of walking trails, and a number of playing fields and courts. Enhancing and investing in existing venues and activities, as well as installing new venues and activities is the order of the day as growth and development evolve over time and such locations become a destination for families in South Jersey.

The City will continue to develop its relationships and partnerships with institutions of higher learning such as Rutgers University and Stockton University as well as utilize its incentives including its Urban Enterprise Zone (UEZ) designation, its two Opportunity Zones, its inclusion in the Cumberland Empowerment Zone, and the tools provided through the designation of various Redevelopment Areas including Long Term Tax Exemptions and Tax Abatements for developers locating within its boundaries. These assets will be part of incentivizing growth and development in this unique community located in this corridor between NYC, Washington DC, and Philadelphia.

Additional Projects

In addition to the focus on the food innovation and commercialization, the City is working with businesses and developers on other fronts including an $11 million expansion of Shoreline Freezers, a company that provides large scale cold storage facilities and residential development in the Phoenix Redevelopment Area in the southeast part of the City. Preliminary steps (i.e. designating redevelopers) are being carried out with developers for a Phase I project consisting of 77 townhouse units in the Phoenix Redevelopment Area.

These projects will complement the newly completed 68-unit River Grove housing project which consists of 68 units of workforce housing for those working in the agriculture industry and 20 units for other income-qualified applicants. Rather than a single “clustered” development, the project was part of a broader revitalization effort in the Southeast Gateway Neighborhood that capitalized on the advantages of in-fill construction to preserve and enhance existing neighborhoods.

In addition to the River Grove project, the 154 unit complex formerly known as Bridgeton Villas and re-branded as “Ivy Square”, was purchased by Winn Development in 2017 and was the focus of a $20 million renovation effort. In addition to the Ivy Square project, the 196 unit Amity Heights Apartments is set to receive a similar renovation effort by AH Preservation LLC.

On the commercial front, J & J Development Corporation completed construction of a new Wawa Gas and Convenience Store facility on the edge of the Central Business District and the installation of $17 million solar project by KDC Solar was completed in 2019 in the southern part of the City.

Library

The Bridgeton Library has been in continuous operation since 1811 with the exception of five years in the 1850's. It became a municipal library by referendum in 1922 and incorporated in 1923. There were additions to the building in 1926 and again in 1967. The 1967 addition increased the total area to more than 16,000 square feet.

The library houses a collection of over 60,000 volumes, 1,900 newspapers and periodicals, microfilm, videos, audio books, etc. with strong collections in local history and genealogy. The library also belongs to an audio book circuit. The collections and services are augmented by the New Jersey Library Network beginning with the Cumberland County Library.

The Bridgeton Library is a critical partner with the Bridgeton Public Schools in equipping and educating students in the City's community. The library is focused on youth programs and activities for teens with a special emphasis on college and career readiness.

The library has met and surpassed New Jersey requirements for receiving State Aid funding. It has two (2) professional librarians with certification, six (6) non-professional staff, full or part-time, which includes a bookkeeper and Computer Service Technician. It is open 35 hours a week for service.

Police and Fire Protection

Police protection is provided by a force of 72 personnel which includes one (1) Chief, one (1) Captain, six (6) Lieutenants, nine (9) Sergeants, fifty (50) Officers, and two (6) clerical staff which includes a uniformed patrol Bureau, Criminal Investigation Bureau, Administrative and Special Services Bureau, and Internal Affairs Bureau. The Department maintains an in-house dispatch operation with seven (7) full-time dispatchers. The department is proactive in the area of youth including the Police Athletic League, Station House Adjustment programs for first-time juvenile offenders and other outreach efforts. The Bridgeton Police Department is dedicated to the equitable and impartial enforcement of the laws and ordinances to protect human life, property, and to maintain the public peace.

The Bridgeton Fire Department has one (1) Fire Chief, two (2) Fire Deputy Chiefs, one (1) EMT Chief, twenty (20) full-time firefighters and eighteen (18) full-time EMT’s with ten (10) EMT personnel serving on a per diem basis. There is one (1) clerical staff and one (1) Fire Inspector. At present, the BFD handles 1,200-1,400 fire calls per year and 4,000 and 6,000 EMS calls per annum. The Bridgeton Fire Department is generally responsible for fire suppression, BASIC life support (BLS), emergency medical services, fire education and prevention programming, fire inspections, investigations, hydrant maintenance and related supervisory/administration duties. The Fire Department provides fire prevention services to seven (7) other jurisdictions and provides mutual assistance to surrounding

communities. The EMS Division provides services to four (4) other jurisdictions through a shared services framework that covers some 70 square miles of service area.

Public Works

The Department of Public Works, which is overseen by the Public Works Director, includes the Water & Sewer Divisions that provide invaluable service to the community. Responsible for the 6.2 square miles of the City limits, the department oversees improvements, facilities and service related to water supply and distribution; sanitary and storm sewers and drains; streets, roads, bridges and sidewalks; rivers, streams, waterfront and flood damage control and reduction; street lightning; public buildings, parks and solid waste utility.

The municipality maintains a sewage collection system consisting of eight pumping stations and nearly 75 miles of sewer mains handling approximately 3 MGD of sewage. The treatment of this sewage is handled by the Cumberland County Utilities Authority.

The sewage collection system serves 100% of its residents and water is provided by the City to all its residents. The current water system has been in operation for approximately 130 years, with continual upgrading infrastructure upgrades. The City has in place a surcharge in addition to usage rates in order to allow for regular and ongoing upgrades and improvements to the wells, pump stations and subterranean components.

The Streets and Roads Department consists of a workforce of one (1) Department Head, fourteen (14) laborers and one (1) clerical employee. The Public Buildings Department consists of a workforce of two (2) laborers.

The Water and Sewer Utility consists of a workforce of one (1) Superintendent, two (2) clerical staff, and thirteen (13) laborers.

Municipal Court

The Bridgeton Joint Municipal Court currently operates with eight (8) persons not including the judge, prosecutor, and public defender which work under professional services agreements and/or contracts. In addition to serving the City, the municipal court also serve Fairfield Township through a shared services agreement. The court handled the highest number of case filings in Vicinage 15 for the fifth consecutive year. In 2023, the court had a total number of 21,150 filings which included everything from indictable offenses, property maintenance/code violations, parking offenses, petty disorderly offenses and a variety of ordinance violations. The court disposed of over 77% of their filings (16,349).

Accumulated Vacation and Sick Leave

With very limited exceptions, the City does not allow the carrying of vacation time over to the next calendar year. The City has ceased the practice of buying back vacation time. The City permits employees to accumulate unused sick time. Employees will be compensated for unused sick time upon retirement up to a maximum of $15,000. To be eligible for retirement from the NJ State Pension Plan an employee must be either over age 60, have 25 years of service, or be a veteran with 20 years of service. Employees not eligible for retirement are not entitled to payment for accumulated sick time unless beginning a pension at the time of separation. The Division of Local Government Services does not presently permit the recording of an accrual for compensated absences. Unused sick pay approved for payment has traditionally been approved and paid from the operating budget on a cash basis, consistent with the "budgetary" basis of accounting as described in Note 1 to the financial statements.

Pension Costs

Those City employees who are eligible for pension coverage are enrolled in one of three pension systems established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by the State. For additional information regarding pension costs, see Appendix B: Financial Statements of the City, Note 10 to Financial Statements.

Employee Collective Bargaining Units

City employees are represented by eight (8) bargaining units. The union representing a particular group, the employees that it represents, and the year in which a contract expires is as follows:

Teamster's Local Union 676: Streets/Roads/Parks/Water/Sewer/Zoo Expires 12/31/26

Cumberland County Council #18 : Non-Supervisory Capacities R & F Expires 12/31/24

Cumberland County Council #18: Supervisors Expired 12/31/23 negotiations being completed

Policemen's Benevolent Assoc. Local #94 F/T Police Officers (exclude Chief/Captain) Expires 12/31/24

Policeman's Benevolent Assoc. Local 94A Superior Officers Expires 12/31/24

Fire IAFF Local 4822, F/T Firefighters Expires 12/31/30

Fire FMBA 252 Superior Officers Expires 12/31/24 (Superior unit in process to joining IAFF)

EMTs/Paramedica Int'l Assoc Local 52-352 Expires 12/31/25

City Employees

	2023	2022	2021	2020	2019
Full-time	230	216	230	202	208
Part-time	34	53	40	45	58
Total	264	269	270	247	266

City Population(1)

2020 Federal Census	27,263
2010 Federal Census	25,349
2000 Federal Census	22,771
1990 Federal Census	18,942
1980 Federal Census	18,795

(1) Source: U.S. Department of Commerce, Bureau of Census.

Selected Census 2022 Data for the City (1)

Median household income	$44,440
Per capita income	$17,253

City Labor Force (2)

The following table discloses annual average labor force data for the City.

	2023	2022	2021	2020	2019
City					
Labor Force	8,614	8,469	8,373	8,117	8,059
Employed	7,964	7,953	7,664	7,267	7,547
Unemployed	650	516	709	833	512
Unemployment Rate	7.5%	6.1%	8.5%	10.3%	6.4%
County					
Labor Force	69,962	69,010	68,506	66,408	65,061
Employment	65,428	65,338	62,962	59,192	61,481
Unemployment	4,534	3,672	5,544	7,208	3,580
Unemployment Rate	6.5%	5.3%	8.1%	10.8%	5.5%
State					
Labor Force	4,829,671	4,736,213	4,648,814	4,514,533	4,493,100
Employment	4,615,722	4,552,563	4,337,793	4,074,300	4,333,300
Unemployment	213,949	183,650	311,021	440,258	159,800
Unemployment Rate	4.4%	3.9%	6.7%	9.7%	3.6%

Building, Zoning and Development Codes

The Land Use and the Zoning Ordinances were adopted in 1976 to coincide with the new Uniform Construction Act of 1976. The City building codes conform to standards of the New Jersey Uniform Construction Code. These codes and other Municipal Codes are codified as a basis for improved administration and regulation and for the purpose of promoting the uniform construction and growth of a community; however, due to the age of the housing stock and limited areas for growth within the City, these regulations have been used almost exclusively for rehabilitation purposes.

(1) Source: U.S. Department of Commerce, Bureau of Census.
(2) Source: New Jersey Department of Labor

TEN LARGEST EMPLOYERS (1)

Company	Nature of Business	Approximate Number of Employees
Inspira Health Network	Health Care	3,393
Bridgeton Public Schools	Education	1,069
South Woods State Prison	Correctional Facility	950
Ardagh Group	Glass Manufacturing	393
South State Inc.	Construction	290
Gateway Community Action Partnership	Community Services	281
Complete Care, Inc	Health Care	253
City of Bridgeton	Municipality	247
Cumberland Dairy	Food Manufacturing	194
Danone Industries	Food Industry	134

Building Permits Issued (2)

Year	Number of Permits Issued	Value of Construction
2024 (3)	558	$12,646,148
2023	619	34,536,289
2022	669	18,751,172
2021	441	13,188,433
2020	465	43,293,017
2019	575	14,747,079

(1) Source: City Officials
(2) Source: City Construction Official
(3) As of September 24, 2024

GENERAL INFORMATION ON THE SCHOOL DISTRICT (1)

The public school system in the City is operated by the Bridgeton City Board of Education (the "Board of Education") as a Type II school district. It functions independently through a nine member board, elected by the voters in alternate three year terms.

Annual appropriated budgets are prepared in the spring of each fiscal year for the general and special revenue funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any.

The City's public school system consists of a four-year comprehensive high school, five K-8 elementary schools, one PreK-8 elementary school, and a pre-school. The system includes an early college high school program, an extended day and year 6-8 program (ExCEL), as well as extensive educational opportunities for handicapped students.

CITY OF BRIDGETON SCHOOL DISTRICT
SCHOOL ENROLLMENTS(1)

			October 15,		
Grade	**2023**	**2022**	**2021**	**2020**	**2019**
PS,PK,K	655	664	640	675	731
1	357	358	377	408	418
2	363	391	402	404	432
3	378	402	383	428	409
4	385	372	418	407	437
5	370	398	392	428	449
6	386	382	411	439	440
7	389	418	424	441	439
8	416	433	430	440	439
9	437	493	552	422	396
10	389	443	340	372	341
11	357	319	295	319	285
12	306	266	303	293	259
Special Education	521	492	486	480	515
Totals	5,709	5,831	5,853	5,956	5,990

(1) Source: School District Officials

PRESENT SCHOOL FACILITIES, ENROLLMENT AND CAPACITY(1)

Name of School	Date Constructed	Renovations/ Additions	Grades	Functional Capacity
Geraldyn O. Foster Early Childhood Center	2004	---	Preschool	360
Buckshutem Road School	1951	1962, 1993, 2015	K-8, Special Ed.	580
Cherry Street School	1962	1975	K-8, Special Ed.	405
Indian Avenue School	1955	1962, 1975	K-8, Special Ed.	408
Quarter Mile Lane School	1955	1962, 1996, 2016	PK-8, Special Ed.	581
West Avenue School	1962	1994	K-8, Special Ed.	370
Broad Street School	1922	1930, 1976, 1983	K-8, Special Ed.	667
Bridgeton High School	1958	---	9-12, Special Ed.	835
Totals				4,206

(1) Source: School District Officials

HIGHER EDUCATION FACILITIES

Rowan College of South Jersey

Rowan College of South Jersey formed on July 1, 2019 as the result of a historic jointure of two community colleges – Cumberland County College and Rowan College at Gloucester. It is fully accredited by the Middle States Commission on Higher Education, and is an open door, comprehensive, two-year public institution, dedicated to meeting the needs of area residents and employers for educational advancement and career training. It is the first partnership of its kind in New Jersey, with more than 100 years of combined experience in delivering affordable, quality education to students throughout the region.

Rowan College of South Jersey provides students with more choices, including the option to pursue advanced degrees at Rowan University and other four-year universities, without ever leaving the Rowan College of South Jersey campuses. It serves more than 10,000 full- and part-time students with degree and workforce development programs on campuses in Cumberland and Gloucester Counties. Together these two campuses offer more than 120 unique degrees and certificates, combining 100 years of experience to provide a variety of degree selections, cost-saving initiatives, and scholarship and internship opportunities, at one of the lowest tuition rates in the State.

The merger of these two community colleges, in conjunction with an expanded 10-year premier partnership agreement with Rowan University, leads the way to a future filled with diverse and one-of-a-kind educational opportunities. Students seeking can take classes and save money with high school dual enrollment programs, including “Rowan High School Start” and the High School Option Program (HSOP); two successful collaborations between Rowan College of South Jersey and local high schools. Through exclusive programs like Rowan Choice and “3+1” degree offerings, the education cost savings are substantial and students can easily transition to Rowan University for a bachelor’s degree.

Academic and workforce-training programs ensure the availability of skilled employees, answering both professional and community needs.

The exciting connection between education, business and labor also extends into the medical field. The 27 miles along Route 55 between Rowan College of South Jersey's Gloucester and Cumberland campuses integrates education, medical services and commerce to establish South Jersey's first EDs, MEDs & Commerce Corridor. The premier partnership with Rowan University — a research university with two medical schools — and future campus construction intended to house both public and private medical, labor and business entities, will continue to increase the academic advantages for students while benefitting economic development in the South Jersey region.

Cumberland County Technical Education Center

The Cumberland County Board of Vocational Education was created by the Cumberland County Board of County Commissioners in 1969.

Land was purchased at a location centrally located for busing of the four County public high schools and one parochial high school. An attractive functional building was constructed and, in September 1972, classes were opened at the Cumberland County Technical Educational Center located in Bridgeton, NJ.

In May 2014, The Cumberland County Board of County Commissioners expanded upon their initial vocational school offerings and approved a $70 million bond ordinance with the State of NJ shouldering 69% of the cost to construct a 204,000 sq. ft. full-time Technical Education Center. The facility opened in 2016 adjacent to the campus of Cumberland County College. The location enables the College, Technical Education Center, and Center for Workforce and Economic Development to all be housed on one campus to work together to create a well trained workforce.

In October 2018, the Cumberland County Board of County Commissioners approved a $23 million bond ordinance with the State of New Jersey incurring 72.1% of the cost of to construct a 55,000 sq. ft. expansion of the current facility that will be home to our Health Science and Medicine Program. Historically, Health Science and Medicine has been the most enrolled program. Currently there are four applicants for every one seat. This consistent enrollment, coupled with a health system that serves as Cumberland County's top employer, provides the rationale for the expansion that will serve as an anchor for quality medical training for a variety of populations. Additionally, Adult Education classes are held on the entire campus.

Interest in Engineering programs continues to increase. The District has applied for and been awarded funding through the Securing Our Children's Future Bond Act – CTE Expansion Grant. Utilizing $2,250,000 of grant and $750,000 of the District's Capital Reserve funds, renovations to locations within the facility for the expansion of the Engineering program were completed in the Winter of 2023.

2023-2024 enrollment currently exceeds 1,190 full time students, including full-time students in grades 9-12 and STRIVE program students. Enrollment is projected to continue to increase over the next several years.

CERTAIN TAX INFORMATION

TEN LARGEST TAXPAYERS (1)

Name of Taxpayer	Nature of Business	2024 Assessed Valuation
White Wave, Inc.	Manufacturing, Food	$ 13,850,000
SPBH I, LLC	Apartment Buildings	10,581,600
Ardagh Glass Containers	Manufacturing, Glass	6,186,100
Indian Run 2020, LLC	Apartment Buildings	5,712,900
SPBH II, LLC	Apartment Buildings	5,003,200
Cumberland Dairy, LLC	Manufacturing	4,455,000
Paramount Properties	Shopping Center	4,189,700
Bridgeton H&V Realty	Nursing Home	4,175,000
Glen Park Apartments, LP	Apartment Buildings	3,787,300
Bridgeton Holdings Urban Renewal	Apartment Buildings	3,536,400

CURRENT TAX COLLECTIONS (2)

		Collected in Year of Levy		Outstanding December 31	
Year	Total Levy	Amount	Percentage	Amount	Percentage
2023	$ 24,956,144	$ 24,566,487	98.44%	$ 122,424	0.49%
2022	24,661,145	24,209,538	98.17%	102,153	0.41%
2021	24,672,232	24,194,553	98.06%	77,565	0.31%
2020	24,044,690	23,414,556	97.38%	52,754	0.22%
2019	23,637,273	22,830,260	96.59%	43,633	0.18%

DELINQUENT TAXES (2)

			Collected				
Year	Outstanding January 1	Added	Amount	Percentage	Transferred to Liens	Other Credits	Outstanding December 31
2023	$ 128,286	$ 5,000	$ 24,330	18.25%		$ 1,173	$ 107,783
2022	137,359	3,290	71,235	50.65%	$ 5	43,275	26,134
2021	93,356	3,500	31,247	32.26%	5,102	713	59,794
2020	80,671	7,452	42,597	48.34%		4,924	40,602
2019	69,873	5,000	32,288	43.12%	5,546		37,039

(1) Source: Township Tax Assessor
(2) Source: Annual Report of Audit

TAX TITLE LIENS (1)

Year	Balance January 1	Added by Sales and Transfers	Collected	Canceled	Foreclosures and Transfers	Balance December 31
2023	$ 1,765,593	$ 255,443	$ 154,795			$ 1,866,242
2022	1,751,081	277,142	138,505	$ 32,136	$ 91,989	1,765,593
2021	1,487,839	411,542	148,300			1,751,081
2020	1,601,342	507,059	343,544	14,862	262,156	1,487,839
2019	1,236,139	706,883	341,680			1,601,342

FORECLOSED PROPERTY (1)(2)

Year	Balance January 1	Added by Transfer	Receipts from Sale	Gain/Loss on Sale	Adjustment to Assessed Valuation	Balance December 31
2023	$ 3,299,480		$ 1,159,519	$ 269,339		$ 2,409,300
2022	3,317,300	$ 142,070	134,000	(191,020)	$ 165,130	3,299,480
2021	4,021,000	25,811	362,900	(377,200)	10,589	3,317,300
2020	2,976,700	388,149	300	(1,200)	657,651	4,021,000
2019	3,016,700	801	20,550	(53,850)	33,599	2,976,700

CURRENT WATER/SEWER UTILITY COLLECTIONS (1)

			Collected in Year of Levy			Outstanding December 31	
Year	Balance January 1	Total Levy	Amount	Percentage	Other Credits	Amount	Percentage
2023	$ 993,982	$ 11,282,115	$ 11,500,421	93.68%	$ 28,321	$ 747,355	6.62%
2022	1,209,029	11,391,224	11,554,394	91.70%	51,877	993,982	8.73%
2021	1,053,708	10,551,425	10,371,291	89.37%	24,813	1,209,029	11.46%
2020	728,332	10,079,546	9,696,101	89.71%	58,069	1,053,708	10.45%
2019	669,849	9,145,167	9,019,593	91.90%	67,091	728,332	7.96%

CURRENT SOLID WASTE UTILITY COLLECTIONS (1)

			Collected in Year of Levy			Outstanding December 31	
Year	Balance January 1	Total Levy	Amount	Percentage	Other Credits	Amount	Percentage
2023	$ 149,159	$ 2,431,280	$ 2,394,500	92.79%	$ 19,708	$ 166,231	6.84%
2022	344,724	2,409,630	2,584,278	93.83%	20,917	149,159	6.19%
2021	271,025	2,101,535	2,011,618	84.79%	16,218	344,724	16.40%
2020	132,241	1,780,175	1,608,610	84.11%	32,781	271,025	15.22%
2019	134,307	1,754,809	1,716,698	90.87%	40,177	132,241	7.54%

(1) Source: Annual Report of Audit
(2) These amounts are reflected on the basis of assessed value in the year of acquisition in accordance with the regulation of the Division of Local Government Services.

NET ASSESSED VALUATIONS AND ANNUAL TAX RATES (1)

Year	Net Valuation Taxable	Total Rate	Tax Rate (2) Municipal	Municipal Open Space	Municipal Library	County	County Health	County Open Space	Local School
2024	$ 492,904,646	$ 5.288	$ 3.082	$ 0.021	$ 0.048	$ 1.303	$ 0.072	$ 0.015	$ 0.747
2023	490,492,740	5.075	2.979	-	0.042	1.222	0.068	0.013	0.751
2022	489,445,356	5.028	2.846	-	0.039	1.308	0.071	0.012	0.752
2021	483,452,575	5.017	2.846	-	0.036	1.293	0.068	0.012	0.762
2020	480,529,987	4.984	2.776	-	0.037	1.327	0.066	0.012	0.766

RATIO OF ASSESSED VALUATION TO TRUE VALUE AND TRUE VALUE PER CAPITA (3)

Year	Real Property Assessed Valuation	Percentage of True Value	True Value	True Value per Capita (4)
2024	$ 489,614,700	69.76%	$ 701,855,935	$ 25,744
2023	486,743,300	80.20%	606,911,845	22,261
2022	485,597,000	85.88%	565,436,656	20,740
2021	479,426,000	92.27%	519,590,333	19,058
2020	476,775,000	90.52%	526,706,805	19,319

REAL PROPERTY CLASSIFICATION (5)

Year	Assessed Value of Land and Improvements	Vacant Land	Residential	Commercial	Industrial	Apartments	Farmland
2024	$ 489,614,700	$ 7,193,700	$ 324,237,500	$ 92,516,000	$ 45,323,100	$ 20,230,000	$ 114,400
2023	486,743,300	6,060,700	323,098,300	91,064,600	46,724,600	19,681,400	113,700
2022	485,597,000	5,932,700	322,014,500	92,436,200	45,421,300	19,681,400	110,900
2021	479,426,000	5,942,000	319,329,700	89,268,500	38,593,500	26,181,400	110,900
2020	476,775,000	5,746,800	320,550,000	88,678,700	35,441,300	26,244,900	113,300

(1) Source: City Tax Collector
(2) Per $100 of Assessed Valuation
(3) Source: State of New Jersey, Department of Treasury, Division of Taxation
(4) Based on Federal Census 2020 of 27,263
(5) Source: City Tax Assessor

CITY OF BRIDGETON
STATEMENT OF INDEBTEDNESS
AS OF DECEMBER 31, 2023

The following table summarizes the direct debt of the City of Bridgeton as of December 31, 2023 in accordance with the requirements of the Local Bond Law of the State of New Jersey (N.J.S.A. 40A:2-2- et.seq.). The gross debt comprises short and long-term debt issued and debt authorized but not issued, including General debt and Utility debt. Deductions from gross debt to arrive at net debt include debt considered to be self-liquidating, and reserve for payment of debt. The resulting net debt of $10,515,168 represents 1.69% of the average of equalized valuations for the City for the last three years, within the 3.5% limit imposed by N.J.S.A. 40A:2-6.

	Debt Issued				Deductions		
	Bonds	Loans	Authorized But Not Issued	Gross Debt	Reserve to Pay Debt	Self-Liquidating Utility	Net Debt
General	$ 10,705,000		$ 78,171	$ 10,783,171	$ 268,002		$ 10,515,168
Water and Sewer	510,000	$ 1,583,759		2,093,759		$ 2,093,759	
	$ 11,215,000	$ 1,583,759	$ 78,171	$ 12,876,930	$ 268,002	$ 2,093,759	$ 10,515,168

(1) Annual Report of Audit

DEBT RATIOS AND VALUATIONS (1)

Average of Equalized Valuations of Real Property with Improvements for 2021, 2022 and 2023	$	620,491,138
Statutory Net Debt as a Percentage of the Average of Equalized Valuations of Real Property with Improvements for 2021, 2022 and 2023		1.69%
2024 Net Valuation Taxable	$	492,904,646
2024 Equalized Valuation of Real Property and Taxable Personal Property Used in Communications	$	705,145,881
Gross Debt (3):		
As a percentage of 2024 Net Valuation Taxable		2.61%
As a percentage of 2024 Equalized Valuations		1.83%
Net Debt (3):		
As a percentage of 2024 Net Valuation Taxable		2.13%
As a percentage of 2024 Equalized Valuations		1.49%
Gross Debt Per Capita (4)	$	472
Net Debt Per Capita (4)		386

CITY BORROWING CAPACITY (1)

3.5% of Averaged (2021-2023) Equalized Valuation of Real Property including Improvements ($620,491,138)	$	21,717,190
Net Debt		10,515,168
Remaining Borrowing Capacity	$	11,202,022

LOCAL SCHOOL BORROWING CAPACITY (1)

4% of Averaged (2021-2023) Equalized Valuation of Real Property including Improvements ($620,491,138)	$	24,819,646
Local School Debt		
Remaining Borrowing Capacity	$	24,819,646

(1) As of December 31, 2023
(2) Excluding overlapping debt
(3) Based on Federal Census 2020 of 27,263

CITY OF BRIDGETON
OVERLAPPING DEBT
AS OF DECEMBER 31, 2023

	Debt Issued				
	Debt Outstanding	Deductions	Net Debt Outstanding	Net Debt Outstanding Allocated to the Issuer	**Debt Authorized but not Issued**
County of Cumberland (1):					
General:					
Bonds	$ 54,220,000	$ 25,630,073 (2)	$ 28,589,927	$ 1,669,652 (3)	$ 30,594,455
Loans	71,455,000	41,443,900 (2)	30,011,100	1,752,648 (3)	
Bonds Issued by Other Public Bodies Guaranteed by the County	105,111,801	105,111,801			
Cumberland County Improvement Authority (4)	22,898,727		22,898,727	1,337,286 (3)	
Cumberland County Utilities Authority (5)	2,693,805		2,693,805	157,318 (3)	
	$ 256,379,333	$ 172,185,774	$ 84,193,559	$ 4,916,904	$ 30,594,455

Source: County of Cumberland
(1) Source: County Annual Debt Statement
(2) Includes TEC High School and County College Bonds
(3) Such debt is allocated as a proportion of the Issuer's share of the total 2023 Net Valuation on which County taxes are apportioned, which is 5.84%
(4) Source: Cumberland County Improvement Authority
(5) Source: Cumberland County Utilities Authority

CITY OF BRIDGETON

SCHEDULE OF DEBT SERVICE - GENERAL CAPITAL AND UTILITY DEBT

LONG TERM DEBT ONLY (1)

	Bonds - General			Bonds - Utility			Loans - Utility			Totals		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Grand Total
2024	$ 735,000	$ 241,275	$ 976,275	$ 60,000	$ 12,350	$ 72,350	$ 300,790	$ 38,820	$ 339,610	$ 1,095,790	$ 292,445	$ 1,388,235
2025	750,000	219,000	969,000	60,000	10,550	70,550	303,517	31,695	335,212	1,113,517	261,245	1,374,762
2026	765,000	196,275	961,275	60,000	8,750	68,750	311,401	24,373	335,774	1,136,401	229,398	1,365,799
2027	780,000	173,100	953,100	60,000	6,950	66,950	313,687	16,633	330,320	1,153,687	196,683	1,350,370
2028	790,000	149,550	939,550	65,000	5,075	70,075	172,183	8,720	180,903	1,027,183	163,345	1,190,528
2029	800,000	129,700	929,700	65,000	3,450	68,450	182,183	4,560	186,743	1,047,183	137,710	1,184,893
2030	815,000	113,550	928,550	70,000	2,100	72,100				885,000	115,650	1,000,650
2031	830,000	97,100	927,100	70,000	700	70,700				900,000	97,800	997,800
2032	845,000	80,350	925,350							845,000	80,350	925,350
2033	870,000	63,200	933,200							870,000	63,200	933,200
2034	890,000	45,600	935,600							890,000	45,600	935,600
2035	910,000	27,600	937,600							910,000	27,600	937,600
2036	925,000	9,250	934,250							925,000	9,250	934,250
	$ 10,705,000	$ 1,545,550	$ 12,250,550	$ 510,000	$ 49,925	$ 559,925	$ 1,583,761	$ 124,801	$ 1,708,562	$ 12,798,761	$ 1,720,276	$ 14,519,037

Source: City Records

(1) As of: December 31, 2023

CITY OF BRIDGETON
2024 MUNICIPAL BUDGET

CURRENT FUND

Anticipated Revenues:	
Fund Balance	$ 2,700,000.00
Miscellaneous Revenues:	
Local Revenues	917,000.00
State Aid without Offsetting Appropriations	4,933,924.35
Dedicated Uniform Construction Code Fees	300,000.00
Shared Service Agreements	171,776.98
Public and Private Programs Offset with Appropriations	178,064.30
Other Special Items Offset with Appropriations	4,734,077.05
Receipts from Delinquent Taxes	80,000.00
Amount to be Raised by Taxation for Municipal Purposes:	
Local Tax	15,188,849.91
Minimum Library Tax	233,829.52
Total Anticipated Revenues	$ 29,437,522.11
Appropriations:	
Within CAPS:	
Operations	$ 22,609,451.71
Deferred Charges and Statutory Expenditures	3,945,956.69
Excluded from CAPS:	
Other Operations	359,919.52
Interlocal Municipal Service Agreements	180,857.98
Public and Private Programs	181,229.55
Capital Improvements	240,742.00
Debt Service	1,387,925.00
Transfer to Board of Education	14,331.00
Reserve for Uncollected Taxes	517,108.66
Total Appropriations	$ 29,437,522.11

CITY OF BRIDGETON
2024 MUNICIPAL BUDGET

WATER SEWER UTILITY FUND

Anticipated Revenues:	
Operating Surplus Anticipated	$ 1,358,318.50
Rents	10,000,000.00
Miscellaneous	100,000.00
Service Connection Fees	15,000.00
Total Anticipated Revenues	$ 11,473,318.50
Appropriations:	
Operating	$ 10,546,494.00
Debt Service	411,960.00
Capital Improvements	271,130.50
Statutory Expenditures	243,734.00
Total Appropriations	$ 11,473,318.50

SOLID WASTE UTILITY FUND

Anticipated Revenues:	
Operating Surplus Anticipated	$ 471,868.00
Rents	2,100,000.00
Miscellaneous	50,000.00
Total Anticipated Revenues	$ 2,621,868.00
Appropriations:	
Operating	$ 2,435,624.00
Capital Improvement Fund	105,000.00
Statutory Expenditures	81,244.00
Total Appropriations	$ 2,621,868.00

CITY OF BRIDGETON
CAPITAL PROGRAM FOR THE YEARS 2024-2029

	Estimated Total Cost	Budget Appropriation	Capital Improvement Fund	Grants-in-Aid and Other Funds	Bonds and Notes	
					General	Self-Liquidating
General Improvements						
EMS - Ambulance Stryker Lifts	$ 43,942	$ 43,942				
PW - Fleet Garage Heavy Truck Lifts	90,000	90,000				
City Hall Cooler Tower Replacement	106,800	106,800				
PW - Road Program	2,050,000		$ 102,500		$ 1,947,500	
PW - Tractor with attachments	75,000		3,750		71,250	
Fire - Brush Truck	60,000		3,000		57,000	
EMS - Ambulance	1,344,000		67,200		1,276,800	
Police - Vehicle SUV	420,000		21,000		399,000	
Police Mobile Data Terminal	110,000		5,500		104,500	
Police - Computer Upgrades	50,000		2,500		47,500	
City Park Improvements	600,000		30,000		570,000	
PW Garage	2,000,000		100,000		1,900,000	
PW - Trucks	720,000		36,000		684,000	
PW - Automotive Vehicle Lift Trucks/Cars	85,000		4,250		80,750	
PW - Small Dump Truck with Plow	100,000		5,000		95,000	
PW - Large Dump Truck with Plow	175,000		8,750		166,250	
PW - 25yd Trailer Leaf Vaccum Truck	135,000		6,750		128,250	
Water/Sewer Utility						
Water Meters	480,000	480,000				
Fire Hydrants	180,000	180,000				
Road Cutter Saw	50,000	50,000				
Pump Station Building Repair	75,000	75,000				
Well 21 Redevelopment	200,000	200,000				
Pump Station 6 Pump Redevelopment	150,000	150,000				
Water Main Improvement - Oak Street	750,000					$ 750,000
Well Maintenance and Repair	500,000					500,000
GIS System - Water	100,000					100,000
GIS System - Sewer	100,000					100,000
Generators Well#19 & #23, PS #24	390,000					390,000
Water Vehicle/Trucks	120,000					120,000
Sewer Vehicle/Trucks	120,000					120,000
Water Line Replacement	150,000					150,000
Sewer Line Replacement	150,000					150,000
Radium Treatment Plants	5,000,000					5,000,000
Well 14 & 15 Overhaul	500,000					500,000
2024 MUNICIPAL BUDGET						
Street Sweeper	335,000					335,000
Vehicle - Pickup Truck	120,000	80,000				40,000
Total - All Projects	$ 17,634,742	$ 1,455,742	$ 396,200	$ -	$ 7,527,800	$ 8,255,000

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE CITY OF BRIDGETON

BOWMAN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Bridgeton
Bridgeton, New Jersey 08302

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Bridgeton, in the County of Cumberland, State of New Jersey, as of December 31, 2023, 2022, 2021, 2020 and 2019 and the related statements of operations and changes in fund balance regulatory basis for the years then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Bridgeton, in the County of Cumberland, State of New Jersey, as of December 31, 2023, 2022, 2021, 2020 and 2019, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the City of Bridgeton, in the County of Cumberland, State of New Jersey, as of December 31, 2023, 2022, 2021, 2020 and 2019, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and in compliance with audit requirements as 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 the State of New Jersey. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City 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.

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Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the City on the basis of the financial reporting provisions of 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 the State 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 and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division 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 misstatement, 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 City'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 Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

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

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

Respectfully submitted,

/s/ BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

/s/ Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 25, 2024

CITY OF BRIDGETON

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

	As of December 31,				
ASSETS	2023	2022	2021	2020	2019
Regular Fund:					
Cash	$ 6,131,096	$ 13,184,831	$ 10,458,471	$ 6,074,855	$ 5,921,141
Receivables and Other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	230,208	128,287	137,359	93,356	80,671
Tax Title Liens Receivable	1,866,242	1,765,593	1,751,081	1,487,839	1,601,342
Property Acquired for Taxes - Assessed Valuation	2,409,300	3,299,480	3,317,300	4,021,000	2,976,700
Other Assessments and Liens Receivable	177,026	165,934	191,187	191,706	376,461
Revenue Accounts Receivable	14,528	10,546	16,791	13,733	22,629
Protested Checks			40,398	35,106	27,838
Accounts Receivable - Other	28,259	14,800	31,375	31,375	31,375
Interfunds Receivable	10,376	27,805	117,898	59,766	670,181
Deferred Charges:					
Emergency Authorization					1,263,984
Total Regular Fund	10,867,034	18,597,276	16,061,860	12,008,736	12,972,322
Federal and State Grant Fund:					
Cash	5,757,538				
Interfunds Receivable		6,541,766	4,009,868		50,616
Federal and State Grants Receivable	4,684,200	2,656,254	6,093,581	1,536,789	2,355,811
Total Federal and State Grant Fund	10,441,738	9,198,020	10,103,449	1,536,789	2,406,427
	$ 21,308,772	$ 27,795,296	$ 26,165,309	$ 13,545,525	$ 15,378,749
LIABILITIES, RESERVES, AND FUND BALANCE					
Regular Fund:					
Liabilities:					
Appropriation Reserves	$ 1,359,226	$ 799,201	$ 864,893	$ 1,294,684	$ 1,107,422
Reserve for Encumbrances	312,299	405,063	641,953	590,664	740,976
Accounts Payable	43,534	59,316	52,221	86,486	54,230
Tax Overpayments	12,834	5,706	18,352	7,236	
Prepaid Taxes	355,116	385,367	350,878	368,485	461,975
School Taxes Payable		923,573	936,052	936,052	936,052
Due to State of New Jersey	17,081	19,300	16,756	16,603	15,467
Due County for Added/Omitted Taxes	16,361	14,340	114,234	26,801	71,446
Other Reserves	729,955	485,017	108,674	133,240	131,349
Special Emergency Note					1,250,000
Interfunds Payable		6,541,766	4,048,192	97,137	113,494
Reserve for Receivables	4,735,937	5,412,444	5,603,390	5,933,882	5,787,197
Fund Balance	3,284,690	3,546,183	3,306,265	2,517,466	2,302,714
Total Regular Fund	10,867,034	18,597,276	16,061,860	12,008,736	12,972,322
Federal and State Grant Fund:					
Appropriated and Unappropriated Reserves	9,486,182	9,044,364	9,926,432	1,070,849	2,358,068
Encumbrances and Contracts Payable	955,556	153,656	177,017	449,485	33,840
Interfunds Payable				16,455	14,519
Total Federal and State Grant Fund	10,441,738	9,198,020	10,103,449	1,536,789	2,406,427
	$ 21,308,772	$ 27,795,296	$ 26,165,309	$ 13,545,525	$ 15,378,749

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF BRIDGETON
CURRENT FUND
Statements of Operations and Changes in Fund Balance - Regulatory Basis

	For the Year Ended December 31,				
REVENUE REALIZED:	2023	2022	2021	2020	2019
Current Tax Collections	$ 24,566,487	$ 24,209,538	$ 24,194,533	$ 23,414,556	$ 22,830,260
Delinquent Tax Collections	179,124	209,741	179,547	386,140	373,968
Total Taxes	24,745,611	24,419,279	24,374,080	23,800,696	23,204,228
Miscellaneous Revenue Anticipated	17,107,856	11,988,836	10,156,335	9,344,977	11,265,147
Non-budget and Other Income	1,086,606	1,379,319	1,717,251	1,408,016	1,252,083
Interfunds Receivable Liquidated	17,429	90,816	11,136	25,241	4,078
Other Receivables Liquidated					159,720
Fund Balance Utilized	2,709,081	2,409,081	1,900,000	1,887,000	2,107,900
Total Income	45,666,583	40,287,331	38,158,802	36,465,930	37,993,156
EXPENDITURES AND ENCUMBRANCES:					
Operating	27,114,933	22,348,926	21,280,470	19,942,538	22,552,654
Capital Improvements	791,000	15,013	115,000	91,300	57,000
Debt Service	1,441,829	1,104,078	232,184	777,133	793,658
Transferred to Board of Education	14,493	14,707	14,893	15,256	15,859
Deferred Charges and Statutory Expenditures	3,563,840	3,405,119	3,318,530	3,029,869	3,321,007
County Taxes	6,402,322	6,815,775	6,743,588	6,768,434	6,558,973
Local School Taxes	3,679,798	3,679,584	3,679,398	3,679,035	3,678,432
Interfunds Receivable Created		723	69,268	30,760	668,298
Other Accounts Receivable Created	13,459	14,800			
Other Expenditures	197,322	239,607	16,672	29,853	181,444
Total Expenditures and Encumbrances	43,218,995	37,638,332	35,470,003	34,364,178	37,827,325
Excess in Revenue	2,447,588	2,648,999	2,688,799	2,101,752	165,831
Adjustments to Income before Fund Balance:					
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year					1,263,984
Statutory Excess to Fund Balance	2,447,588	2,648,999	2,688,799	2,101,752	1,429,815
Fund Balance, January 1	3,546,183	3,306,265	2,517,466	2,302,714	2,980,799
	5,993,771	5,955,264	5,206,265	4,404,466	4,410,614
Decreased by:					
Utilized as Revenue	2,709,081	2,409,081	1,900,000	1,887,000	2,107,900
Fund Balance, December 31	$ 3,284,690	$ 3,546,183	$ 3,306,265	$ 2,517,466	$ 2,302,714

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF BRIDGETON
TRUST FUNDS
Statements of Assets, Liabilities and Reserves - Regulatory Basis

	As of December 31,				
ASSETS	2023	2022	2021	2020	2019
Cash	$ 1,744,367	$ 2,765,739	$ 2,920,186	$ 2,699,338	$ 2,634,218
Investments	354,123	350,255	343,886	341,097	
Deferred Charges					484
Loans and Mortgages Receivable	2,951,897	3,050,506	3,106,720	3,109,818	3,126,548
Grant Funds Receivable	1,019,295	1,012,955	1,005,153	884,094	712,819
Other Accounts Receivable			8,000	9,587	8,000
Interfunds Receivable		1	1		10,000
	$ 6,069,681	$ 7,179,456	$ 7,383,946	$ 7,043,934	$ 6,492,069
LIABILITIES AND RESERVES					
Interfunds Payable	$ 10,376	$ 26,817	$ 26,094	$ 27,864	$ 53,105
Encumbrances and Contracts Payable	172,876	88,575	131,378	269,853	96,770
Reserve for Receivables	2,951,897	3,050,506	3,106,720	3,109,818	3,126,548
Due State of New Jersey	4		4,666	4,666	4,670
Reserve for Special Funds	2,934,528	4,013,558	4,115,088	3,631,733	3,210,976
	$ 6,069,681	$ 7,179,456	$ 7,383,946	$ 7,043,934	$ 6,492,069

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF BRIDGETON
GENERAL CAPITAL FUND
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

	As of December 31,				
ASSETS	2023	2022	2021	2020	2019
Cash	$ 760,529	$ 457,937	$ 794,144	$ 876,173	$ 1,077,296
Interfunds Receivable				599,000	
Deferred Charges to Future Taxation:					
Funded	18,055,000	18,965,777	12,196,253	285,657	409,786
Unfunded	78,171	282,473	282,473	12,750,427	11,609,902
	$ 18,893,700	$ 19,706,187	$ 13,272,870	$ 14,511,257	$ 13,096,984
LIABILITIES, RESERVES AND FUND BALANCE					
Serial Bonds	$ 10,705,000	$ 11,420,000	$ 12,035,000		
Bond Anticipation Notes				$ 10,551,660	$ 8,479,990
Loans Payable	7,350,000	7,545,777	161,253	285,657	409,786
Improvement Authorizations:					
Funded	12,414	281,109	415,089	51,860	2,000
Unfunded	72,000	276,302	276,302	2,126,133	3,666,918
Capital Improvement Fund	34,343	34,343	34,343	3,693	553
Interfunds Payable		988	76,000	7,108	1,143
Encumbrances and Contracts Payable	413,855	146,684	273,494	1,409,118	392,325
Reserve for American Rescue Act Funds	37,101				
Reserve for Payment of Debt	268,002		405	8	99,167
Fund Balance	984	984	984	76,020	45,102
	$ 18,893,700	$ 19,706,187	$ 13,272,870	$ 14,511,257	$ 13,096,984

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF BRIDGETON
WATER AND SEWER UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

	As of December 31,				
ASSETS	2023	2022	2021	2020	2019
Operating Fund:					
Cash	$ 6,311,444	$ 4,789,427	$ 3,167,526	$ 2,411,690	$ 2,599,279
Interfunds Receivable		8,755		1,129	170,330
Receivables w ith Full Reserves:					
Consumer Accounts Receivable	747,356	993,982	1,209,029	1,053,708	728,332
Utility Liens Receivable	166,423	151,584	123,412	115,307	131,243
Total Operating Fund	7,225,222	5,943,748	4,499,967	3,581,834	3,629,184
Capital Fund:					
Cash	2,828,301	3,236,756	1,349,165	1,487,148	1,407,814
Interfunds Receivable				21,202	22,735
Consumer Accounts Receivable - Surcharges	77,632	76,741	126,669	101,757	76,236
Fixed Capital	30,822,955	29,326,521	29,198,243	29,101,085	28,974,781
Fixed Capital Authorized and Uncompleted	1,902,524	3,525,884	1,730,884	1,380,884	955,000
Total Capital Fund	35,631,412	36,165,902	32,404,961	32,092,076	31,436,566
	$ 42,856,634	$ 42,109,650	$ 36,904,928	$ 35,673,910	$ 35,065,750
LIABILITIES, RESERVES, AND FUND BALANCE					
Operating Fund:					
Liabilities:					
Appropriation Reserves	$ 831,974	$ 708,622	$ 216,074	$ 484,042	$ 557,866
Encumbrances and Contracts Payable	142,582	155,195	185,621	150,211	188,367
Accounts Payable		728	43,004	43,089	42,981
Overpayments	132,374	14,608	9,377	9,636	7,971
Other Reserves			485	485	2,190
Accrued Interest on Debt	20,571	25,022	35,033	31,282	37,394
Interfunds Payable			15,428	22,859	615,934
Reserve for Receivables	913,778	1,145,566	1,332,440	1,169,014	859,575
Fund Balance	5,183,943	3,894,007	2,662,505	1,671,216	1,316,906
Total Operating Fund	7,225,222	5,943,748	4,499,967	3,581,834	3,629,184
Capital Fund:					
Improvement Authorizations:					
Funded	118,525	2,072,854	425,901	200,775	632,300
Unfunded		59,000	59,000	46,784	152,900
Loans Payable	1,583,759	1,965,880	2,371,279	2,780,206	3,175,512
Serial Bonds Payable	510,000	565,000	615,000		
Interfunds Payable		8,755	377	505,128	170,330
Encumbrances and Contracts Payable	851,875	40,910	87,332	161,681	120,825
Reserve for Receivables	77,632	76,741	126,669	101,757	76,236
Reserve for Water Utility Revitalization	1,752,793	1,059,663	780,981	544,922	508,302
Reserve for Payment of Debt	535	1	1	1	1
Reserve for Amortization	28,729,196	26,837,525	26,253,848	25,712,763	25,057,268
Reserve for Deferred Amortization	1,902,524	3,425,000	1,630,000	1,280,000	750,000
Capital Improvement Fund	72,777	22,777	22,777	22,777	22,777
Fund Balance	31,796	31,796	31,796	28,115	28,115
Total Capital Fund	35,631,412	36,165,902	32,404,961	32,092,076	31,436,566
	$ 42,856,634	$ 42,109,650	$ 36,904,928	$ 35,673,910	$ 35,065,750

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF BRIDGETON
WATER AND SEWER UTILITY FUND
Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis

	For the Year Ended December 31,				
REVENUE REALIZED:	2023	2022	2021	2020	2019
Operating Surplus Anticipated	$ 784,253	$ 831,197	$ 786,735	$ 1,116,544	$ 1,259,515
Rents	11,532,118	11,569,677	10,393,449	9,757,850	9,096,793
Miscellaneous	198,952	160,520	91,793	160,803	403,235
Service Connection Fees	19,050	16,500	16,050	8,600	8,900
Other Credits to Income	734,616	263,677	512,831	556,701	237,932
Total Income	13,268,989	12,841,571	11,800,858	11,600,498	11,006,375
EXPENDITURES AND ENCUMBRANCES:					
Operating	9,959,410	9,479,118	9,248,518	9,205,488	9,126,469
Capital Improvements	208,319	158,320	102,188	22,188	182,455
Debt Service	494,934	521,434	477,829	713,442	544,495
Deferred Charges and Statutory Expenditures	232,138	220,000	194,299	188,526	194,072
Total Expenditures and Encumbrances	10,894,800	10,378,872	10,022,834	10,129,644	10,047,491
Statutory Excess to Fund Balance	2,374,189	2,462,699	1,778,024	1,470,854	958,884
Fund Balance, January 1	3,894,007	2,662,505	1,671,216	1,316,906	1,617,537
	6,268,196	5,125,204	3,449,240	2,787,760	2,576,421
Decreased by:					
Utilized as Revenue in:					
Utility Operating Fund Budget	784,253	831,197	786,735	1,116,544	1,259,515
Current Fund Budget	300,000	400,000			
	1,084,253	1,231,197	786,735	1,116,544	1,259,515
Fund Balance, December 31	$ 5,183,943	$ 3,894,007	$ 2,662,505	$ 1,671,216	$ 1,316,906

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF BRIDGETON
SOLID WASTE UTILITY FUND
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

	As of December 31,				
ASSETS	2023	2022	2021	2020	2019
Operating Fund:					
Cash	$ 1,288,842	$ 1,285,360	$ 703,428	$ 720,756	$ 992,120
Interfunds Receivable			38,324	90,454	44,662
Receivables w ith Full Reserves:					
Consumer Accounts Receivable	166,232	149,159	344,724	271,025	132,242
Utility Liens Receivable	62,223	59,656	55,333	51,169	66,086
Total Operating Fund	1,517,297	1,494,175	1,141,809	1,133,404	1,235,110
Capital Fund:					
Interfunds Receivable		7,103	7,103	7,103	8,052
Fixed Capital	820,699	820,699	819,749	819,749	819,749
Fixed Capital Authorized and Uncompleted		52,372	53,321	53,321	53,321
Total Capital Fund	820,699	880,174	880,173	880,173	881,122
	$ 2,337,996	$ 2,374,349	$ 2,021,982	$ 2,013,577	$ 2,116,232
LIABILITIES, RESERVES, AND FUND BALANCE					
Operating Fund:					
Liabilities:					
Appropriation Reserves	$ 55,352	$ 84,431	$ 35,619	$ 156,967	$ 280,787
Reserve for Encumbrances	151,201	115,064	127,567	198,215	166,231
Prepaid Accounts	60,175	62,009	54,068	51,267	55,201
Accounts Payable		502			
Overpayments	3,638	4,844	3,588	2,972	1,577
Other Reserves			112	112	112
Accrued Interest on Debt			216	429	1,256
Interfunds Payable		7,104	7,104	102,102	8,052
Reserve for Receivables	228,455	208,815	400,057	322,194	198,328
Fund Balance	1,018,476	1,011,406	513,478	299,146	523,566
Total Operating Fund	1,517,297	1,494,175	1,141,809	1,133,404	1,235,110
Capital Fund:					
Bond Anticipation Notes			81,000	95,000	175,000
Reserve for Amortization	820,699	823,071	742,070	728,070	648,070
Improvement Authorizations:					
Funded		2,372			
Unfunded		50,000	52,372	52,372	53,321
Fund Balance		4,731	4,731	4,731	4,731
Total Capital Fund	820,699	880,174	880,173	880,173	881,122
	$ 2,337,996	$ 2,374,349	$ 2,021,982	$ 2,013,577	$ 2,116,232

The accompanying Notes to Financial Statements are an integral part of these statements.

CITY OF BRIDGETON
SOLID WASTE UTILITY FUND
Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis

	For the Year Ended December 31,				
REVENUE REALIZED:	2023	2022	2021	2020	2019
Operating Surplus Anticipated	$ 343,093	$ 364,603	$ 249,663	$ 377,000	$ 291,823
Rents	2,405,832	2,592,658	2,022,872	1,638,249	1,757,287
Miscellaneous	73,257	73,046	58,034	55,568	63,238
Other Credits to Income	71,074	41,453	112,781	232,301	241,174
Total Income	2,893,256	3,071,760	2,443,350	2,303,118	2,353,522
EXPENDITURES AND ENCUMBRANCES:					
Operating	2,270,714	2,061,834	1,904,980	2,006,619	1,931,382
Debt Service		82,395	14,975	82,673	64,639
Deferred Charges and Statutory Expenditures	72,379	65,000	59,400	61,246	63,941
Total Expenditures and Encumbrances	2,343,093	2,209,229	1,979,355	2,150,538	2,059,962
Statutory Excess to Fund Balance	550,163	862,531	463,995	152,580	293,560
Fund Balance, January 1	1,011,406	513,478	299,146	523,566	521,829
	1,561,569	1,376,009	763,141	676,146	815,389
Decreased by:					
Utilized as Revenue in:					
Utility Operating Fund Budget	343,093	364,603	249,663	377,000	291,823
Current Fund Budget	200,000				
	543,093	364,603	249,663	377,000	291,823
Fund Balance, December 31	$ 1,018,476	$ 1,011,406	$ 513,478	$ 299,146	$ 523,566

The accompanying Notes to Financial Statements are an integral part of these statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The City of Bridgeton (hereafter referred to as the "City") was incorporated as a City by an act of the New Jersey legislature on March 3, 1845 from portions of Deerfield Township. Bridgeton City was incorporated on March 1, 1865, replacing both Bridgeton Township and Cohansey Township. The City, located in Cumberland County, New Jersey, has a total area of approximately six and a half square miles, and is located approximately one hour from the City of Philadelphia. The City borders Upper Deerfield Township, Hopewell Township and Fairfield Township. According to the 2020 census, the population is 26,410.

The City is governed within the Faulkner Act system of municipal government, formally known as the Optional Municipal Charter Law, under Mayor-Council Plan A, as implemented on July 1, 1970, based on the recommendations of a Charter Study Commission. Voters elect a Mayor and five City Council members. Council members are elected at-large in non-partisan elections and serve four-year concurrent terms of office. Executive and administrative responsibility rests with the Mayor, who is assisted by the City Administrator.

Component Units - The financial statements of the component units of the City are not presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* as amended. If the provisions of the aforementioned GASB Statement, as amended had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the City, the primary government:

Bridgeton Free Public Library
150 E. Commerce Street
Bridgeton, New Jersey 08302

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the City contain all funds and account groups in accordance with the *Requirements of Audit* (the "*Requirements*") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In accordance with the *Requirements*, the City accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

General Capital Fund - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

Water and Sewer Utility Operating and Capital Funds - The water and sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water and sewer operations.

Solid Waste Utility Operating and Capital Funds - The solid waste utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned solid waste operations.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Budgets and Budgetary Accounting - The City must adopt an annual budget for its current, water and sewer utility and solid waste utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the City's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Cash, Cash Equivalents and Investments (Cont'd) - N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the City requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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 costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 225), except that the useful life of such property is at least five years. The City has adopted a capitalization threshold of $5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The City is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the City's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund balances included in the current fund, water and sewer utility operating fund and solid waste utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the budgets of the County of Cumberland, and the City of Bridgeton School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The City is responsible for levying, collecting, and remitting school taxes for the City of Bridgeton School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

County Taxes - The City is responsible for levying, collecting, and remitting county taxes for the County of Cumberland. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

Library Taxes - The City is responsible for levying, collecting and remitting library taxes for the Bridgeton Free Public Library. The amount of the library tax is a separate local levy tax and is remitted to the Library through the municipal budget.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the City's annual budget protects the City from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediately preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end 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 year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e., assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statement that have effective dates that may affect future financial presentations:

Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the City in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the City, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the City.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. Although the City does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first $250,000.00 of governmental deposits in each insured depository is protected 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 agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2023, the City's bank balances of $25,311,655.21 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	$ 24,302,646.72
Uninsured and Uncollateralized	1,009,008.49
Total	$ 25,311,655.21

Note 3: INVESTMENTS

New Jersey municipal units are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 40A:5-15.1 provides a list of permissible investments that may be purchased by New Jersey municipal units.

These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America; government money market mutual funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress; bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located; bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; local government investment pools; deposits with the State of New Jersey Cash Management Fund; and agreements for the purchase of fully collateralized securities with certain provisions. The City has no investment policy that would further limit its investment choices.

Custodial Credit Risk Related to Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party if the counterparty to the transactions fails. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the City has no investment policy to limit its exposure to custodial credit risk.

Note 3: INVESTMENTS (CONT'D)

Custodial Credit Risk Related to Investments (Cont'd) -

As of December 31, 2023, the City had the following investments:

Investment	Maturities	Cost	Fair Value Hierarchy Level *	Fair Value	Weighted-Average
Money Market for Investment Purposes	N/A	$ 4,123.02	Level 1	$ 4,123.02	0.00
Certificates of Deposit - Fixed Income	4,142 months average	350,000.00	Level 1	296,526.72	4,094
Total		$ 354,123.02		$ 300,649.74	4,094

* Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.
* Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.
* Level 3 inputs are unobservable inputs for the asset; they should be used only when the relevant Level 1 and Level 2 inputs are unavailable.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As stated in note 1, investments are purchased in accordance with N.J.S.A. 40A:5-15.1. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the City has no investment policy that would further limit its exposure to credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the City's investment policies place no limit on the amount the City may invest in any one issuer.

Note 4: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

	Year Ended				
	2023	2022	2021	2020	2019
Tax Rate	$ 5.075	$ 5.028	$ 5.017	$ 4.984	$ 4.871
Apportionment of Tax Rate:					
Municipal	$ 2.979	$ 2.846	$ 2.846	$ 2.776	$ 2.713
Municipal Library	.042	0.039	0.036	0.037	0.038
County	1.222	1.308	1.293	1.327	1.281
County Health	.068	0.071	0.068	0.066	0.060
County Open Space	.013	0.012	0.012	0.012	0.012
Local School	.751	0.752	0.762	0.766	0.767

Assessed Valuation

Year	Amount
2023	$ 490,492,740.00
2022	489,445,356.00
2021	483,452,575.00
2020	480,529,987.00
2019	479,790,241.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2023	$ 24,956,143.83	$ 24,566,486.93	98.44%
2022	24,661,145.14	24,209,538.23	98.17%
2021	24,672,232.46	24,194,532.67	98.06%
2020	24,044,690.30	23,414,556.47	97.38%
2019	23,637,272.87	22,830,259.60	96.59%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2023	1,866,241.77	$ 230,207.62	$ 2,096,449.39	8.40%
2022	1,765,593.08	128,286.49	1,893,879.57	7.68%
2021	1,751,081.36	137,358.91	1,888,440.27	7.65%
2020	1,487,839.25	93,356.24	1,581,195.49	6.58%
2019	1,601,341.97	80,671.09	1,682,013.06	7.12%

Note 4: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

Year	Number
2023	277
2022	292
2021	269
2020	408
2019	539

Note 5: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

Year	Amount
2023	$ 2,409,300.00
2022	3,299,480.00
2021	3,317,300.00
2020	4,021,000.00
2019	2,976,700.00

Note 6: WATER AND SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

	Balance Beginning of Year				Cash
Year	Receivable	Liens	Levy	Total	Collections
2023	$ 993,982.11	$ 151,584.11	$ 11,282,114.84	$ 12,427,681.06	$ 11,500,420.71
2022	1,209,028.90	123,411.55	11,391,223.82	12,723,664.27	11,569,676.32
2021	1,053,707.98	115,306.66	10,551,424.77	11,720,439.41	10,393,449.59
2020	728,331.79	131,243.07	10,079,546.11	10,939,120.97	9,757,849.62
2019	669,848.41	118,239.49	9,145,167.43	9,933,255.33	9,096,792.65

Note 7: SOLID WASTE UTILITY SERVICE CHARGES

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

Year	Balance Beginning of Year Receivable	Balance Beginning of Year Liens	Levy	Total	Cash Collections
2023	$ 149,158.90	$ 59,655.80	$ 2,431,280.00	$ 2,640,094.70	$ 2,394,499.56
2022	344,724.10	55,333.00	2,409,630.00	2,809,687.10	2,592,657.99
2021	271,025.14	51,169.32	2,101,535.00	2,423,729.46	2,022,871.98
2020	132,242.14	66,085.60	1,780,174.70	1,978,502.44	1,638,248.71
2019	134,307.35	61,884.47	1,754,809.41	1,951,001.23	1,757,287.45

Note 8: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Current Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2023	$ 3,284,690.34	$ 2,700,000.00	82.20%
2022	3,546,183.50	2,709,081.00	76.39%
2021	3,306,265.43	2,409,081.00	72.86%
2020	2,517,466.17	1,900,000.00	75.47%
2019	2,302,714.41	1,887,000.00	81.95%

Water Sewer Utility Fund

Year	Balance December 31,	Utilized in Succeeding Year: Utility Budget	Utilized in Succeeding Year: Current Fund Budget	Percentage of Fund Balance Used
2023	$ 5,183,943.20	$ 1,358,318.50	$ 300,000.00	31.99%
2022	3,894,006.68	784,252.50	300,000.00	27.84%
2021	2,662,505.16	831,197.00	400,000.00	46.24%
2020	1,671,215.70	786,735.00		47.08%
2019	1,316,905.70	1,116,544.22		84.79%

Note 8: FUND BALANCES APPROPRIATED (CONT'D)

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Solid Waste Utility Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used	Percentage of Fund Balance Used
2023	$ 1,018,476.23	$ 471,868.00	$ 200,000.00	65.97%
2022	1,011,406.17	343,093.00	200,000.00	53.70%
2021	513,478.15	364,603.00		71.01%
2020	299,146.02	249,663.00		83.46%
2019	523,566.32	377,000.00		72.01%

Note 9: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2023:

Fund	Interfunds Receivable	Interfunds Payable
Current	$ 10,375.64	
Trust - Other		$ 10,375.64
Totals	$ 10,375.64	$ 10,375.64

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2024, the City expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 10: PENSION PLANS

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersy Division of Pension's reporting on GASB No. 68, *Accounting and Financial Reporting for Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2023 was not available; therefore, the information from the measurement period June 30, 2022 is disclosed below.

A substantial number of the City's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several City employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

Note 10: PENSION PLANS (CONT'D)

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
https://www.state.nj.us/treasury/pensions/financial-reports.shtml

General Information about the Pension Plans

Plan Descriptions

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the City, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the City. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least $5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Note 10: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

Public Employees' Retirement System (Cont'd)- Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

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

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Note 10: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Public Employees' Retirement System (Cont'd) - *Special Funding Situation Component* - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The City's contractually required contribution rate for the year ended December 31, 2022 was 17.39% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2022, the City's contractually required contribution to the pension plan for the year ended December 31, 2022 is $931,879.00, and was payable by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the City's contractually required contribution to the pension plan for the year ended December 31, 2021 was $866,566.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were $412,409.80.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the City, under Chapter 133, P.L. 2001, for the year ended December 31, 2022 was .44% of the City's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the City, to the pension plan for the year ended December 31, 2022 was $23,464.00, and is payable by April 1, 2023.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. 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.

Note 10: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Police and Firemen's Retirement System (Cont'd) - *Special Funding Situation Component* - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The City's contractually required contribution rate for the year ended December 31, 2022 was 34.94% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2022, the City's contractually required contribution to the pension plan for the year ended December 31, 2022 is $2,308,826.00, and was payable by April 1, 2023. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2021, the City's contractually required contribution to the pension plan for the year ended December 31, 2021 was $2,080,408.00, which was paid on April 1, 2022.

Employee contributions to the Plan for the year ended December 31, 2022 were $663,552.35.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the City, for the year ended December 31, 2022 was 6.81% of the City's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2022 was $450,227.00, and was payable by April 1, 2023. For the prior year measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2021 was $318,768.00, which was paid on April 1, 2022.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the City contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2023, employee contributions totaled $15,830.37, and the City's contributions were $8,947.52. There were no forfeitures during the year.

Note 10: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System

Pension Liability - As of December 31, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The City's proportionate share of the PERS net pension liability was $11,152,103.00. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2022 measurement date, the City's proportion was .0738971858%, which was a decrease of .0000977288% from its proportion measured as of June 30, 2021.

Pension (Benefit) Expense - For the year ended December 31, 2022, the City's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was ($757,769.00). This (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the City's contribution to PERS was $866,566.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PERS pension (benefit) expense, associated with the City, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2022 measurement date, was $23,464.00. This on-behalf (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2022, the City's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	$ 20,320,308.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	3,616,419.00
	$ 23,936,727.00

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2022 measurement date, the City's proportion was .1775264400%, which was a decrease of .0009782105% from its proportion measured as of June 30, 2021. Likewise, at June 30, 2022, the State of New Jersey's proportion, on-behalf of the City, was .1775266100%, which was a decrease of .0009779007% from its proportion, on-behalf of the City, measured as of June 30, 2021.

Note 10: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Police and Firemen's Retirement System (Cont'd)

Pension (Benefit) Expense - For the year ended December 31, 2022, the City's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date was ($637,443.00). This (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the City's contribution to PFRS was $2,080,408.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PFRS pension (benefit) expense, associated with the City, calculated by the Plan as of the June 30, 2022 measurement date, was $417,239.00. This on-behalf (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2022, the City had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	$ 80,491.00	$ 919,751.00	$ 1,000,242.00	$ 70,981.00	$ 1,244,895.00	$ 1,315,876.00
Changes of Assumptions	34,553.00	55,690.00	90,243.00	1,669,911.00	2,557,925.00	4,227,836.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	461,575.00	1,860,743.00	2,322,318.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	546,085.00	849,007.00	1,395,092.00	350,716.00	1,716,966.00	2,067,682.00
Contributions Subsequent to the Measurement Date	465,940.00	1,154,413.00	1,620,353.00	-	-	-
	$ 1,588,644.00	$ 4,839,604.00	$ 6,428,248.00	$ 2,091,608.00	$ 5,519,786.00	$ 7,611,394.00

Deferred outflows of resources in the amounts of $465,940.00 and $1,154,413.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2023. These amounts were based on an estimated April 1, 2024 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2022 to the City's year end of December 31, 2022.

Note 10: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The City will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04		6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
June 30, 2021	5.00	-	5.00	-
June 30, 2022	5.00	-	5.00	-
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22

Note 10: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	PERS	PFRS	Total
2023	$ (889,775.00)	$ (1,416,449.00)	$ (2,306,224.00)
2024	(369,356.00)	(839,737.00)	(1,209,093.00)
2025	(175,330.00)	(594,426.00)	(769,756.00)
2026	469,277.00	1,053,237.00	1,522,514.00
2027	(3,720.00)	(45,656.00)	(49,376.00)
Thereafter	-	8,436.00	8,436.00
	$ (968,904.00)	$ (1,834,595.00)	$ (2,803,499.00)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 6.55% Based on Years of Service	3.25% - 16.25% Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

Note 10: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Public Employees' Retirement System

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 disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2022 are summarized in the table that follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

Note 10: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make 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.

Police and Firemen's Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on 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 Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the City's proportionate share of the net pension liability as of the June 30, 2022 measurement date, calculated using a discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	$ 14,327,185.00	$ 11,152,103.00	$ 8,449,980.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the City's annual required contribution. As such, the net pension liability as of the June 30, 2022 measurement date, for the City and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	$ 27,881,658.00	$ 20,320,308.00	$ 14,025,448.00
State of New Jersey's Proportionate Share of Net Pension Liability	4,962,118.00	3,616,419.00	2,496,119.00
	$ 32,843,776.00	$ 23,936,727.00	$ 16,521,567.00

Note 10: PENSION PLANS (CONT'D)

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Supplementary Pension Information

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years.

Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Ten Plan Years)

	Measurement Date Ended June 30,				
	2022	2021	2020	2019	2018
Proportion of the Net Pension Liability	0.0738971858%	0.0739949146%	0.0717116224%	0.0701369227%	0.0693510613%
Proportionate Share of the Net Pension Liability	$ 11,152,103.00	$ 8,765,807.00	$ 11,694,291.00	$ 12,637,610.00	$ 13,654,871.00
Covered Payroll (Plan Measurement Period)	$ 5,193,476.00	$ 5,374,196.00	$ 5,140,960.00	$ 4,935,800.00	$ 4,860,256.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	214.73%	163.11%	227.47%	256.04%	280.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%

	Measurement Date Ended June 30,				
	2017	2016	2015	2014	2013
Proportion of the Net Pension Liability	0.0724477629%	0.0711152512%	0.0683198948%	0.0703753677%	0.0670651130%
Proportionate Share of the Net Pension Liability	$ 16,864,681.00	$ 21,062,298.00	$ 15,336,448.00	$ 13,176,194.00	$ 12,817,475.00
Covered Payroll (Plan Measurement Period)	$ 4,889,696.00	$ 4,909,620.00	$ 4,657,776.00	$ 4,814,828.00	$ 4,595,628.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	344.90%	429.00%	329.27%	273.66%	278.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

Note 10: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 931,879.00	$ 866,566.00	$ 784,489.00	$ 682,226.00	$ 689,819.00
Contribution in Relation to the Contractually Required Contribution	(931,879.00)	(866,566.00)	(784,489.00)	(682,226.00)	(689,819.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 5,358,707.00	$ 5,193,685.00	$ 5,303,560.00	$ 5,141,561.00	$ 4,959,830.00
Contributions as a Percentage of Covered Payroll	17.39%	16.68%	14.79%	13.27%	13.91%

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Contractually Required Contribution	$ 671,151.00	$ 631,778.00	$ 587,368.00	$ 580,164.00	$ 505,322.00
Contribution in Relation to the Contractually Required Contribution	(671,151.00)	(631,778.00)	(587,368.00)	(580,164.00)	(505,322.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 4,826,364.00	$ 4,832,298.00	$ 4,850,471.00	$ 4,650,277.00	$ 4,778,039.00
Contributions as a Percentage of Covered Payroll	13.91%	13.07%	12.11%	12.48%	10.58%

Note 10: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Ten Plan Years)

	Measurement Date Ended June 30,				
	2022	2021	2020	2019	2018
Proportion of the Net Pension Liability	0.1775264400%	0.1785046505%	0.1871824701%	0.1763283156%	0.1862388347%
Proportionate Share of the Net Pension Liability	$ 20,320,308.00	$ 13,047,176.00	$ 24,186,444.00	$ 21,578,740.00	$ 25,201,185.00
State's Proportionate Share of the Net Pension Liability	3,616,419.00	3,669,516.00	3,753,626.00	3,407,324.00	3,423,164.00
Total	$ 23,936,727.00	$ 16,716,692.00	$ 27,940,070.00	$ 24,986,064.00	$ 28,624,349.00
Covered Payroll (Plan Measurement Period)	$ 6,356,164.00	$ 6,226,836.00	$ 6,417,232.00	$ 5,960,980.00	$ 6,328,696.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	319.69%	209.53%	376.90%	362.00%	398.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.33%	77.26%	63.52%	65.00%	62.48%

	Measurement Date Ended June 30,				
	2017	2016	2015	2014	2013
Proportion of the Net Pension Liability	0.1956365977%	0.1976688042%	0.2013499785%	0.2053337477%	0.1973817058%
Proportionate Share of the Net Pension Liability	$ 30,202,508.00	$ 37,759,798.00	$ 33,537,888.00	$ 25,829,081.00	$ 26,240,117.00
State's Proportionate Share of the Net Pension Liability	3,382,935.00	3,170,887.00	2,941,160.00	2,781,358.00	2,445,898.00
Total	$ 33,585,443.00	$ 40,930,685.00	$ 36,479,048.00	$ 28,610,439.00	$ 28,686,015.00
Covered Payroll (Plan Measurement Period)	$ 6,347,916.00	$ 6,418,800.00	$ 6,376,620.00	$ 6,263,796.00	$ 6,085,040.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	475.79%	588.27%	525.95%	412.36%	431.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	52.01%	56.31%	62.41%	58.70%

Note 10: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Ten Years)

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 2,308,826.00	$ 2,080,408.00	$ 2,091,148.00	$ 1,781,111.00	$ 1,820,759.00
Contribution in Relation to the Contractually Required Contribution	(2,308,826.00)	(2,080,408.00)	(2,091,148.00)	(1,781,111.00)	(1,820,759.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 6,608,314.00	$ 6,432,302.00	$ 6,259,970.00	$ 6,309,705.00	$ 6,019,466.00
Contributions as a Percentage of Covered Payroll	34.94%	32.34%	33.41%	28.23%	30.25%

	Year Ended December 31,				
	2017	2016	2015	2014	2013
Contractually Required Contribution	$ 1,731,420.00	$ 1,611,674.00	$ 1,636,675.00	$ 1,577,105.00	$ 1,440,053.00
Contribution in Relation to the Contractually Required Contribution	(1,731,420.00)	(1,611,674.00)	(1,636,675.00)	(1,577,105.00)	(1,440,053.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 6,215,232.00	$ 6,272,459.00	$ 6,340,031.00	$ 6,435,453.00	$ 6,416,656.00
Contributions as a Percentage of Covered Payroll	27.86%	25.69%	25.81%	24.51%	22.44%

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

The June 30, 2022 measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes in Assumptions

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

Discount Rate				Long-term Expected Rate of Return			
Year	Rate	Year	Rate	Year	Rate	Year	Rate
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%
2018	5.66%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

Note 10: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

Discount Rate				Long-term Expected Rate of Return			
Year	**Rate**	**Year**	**Rate**	**Year**	**Rate**	**Year**	**Rate**
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%
2019	6.85%	2014	6.32%	2019	7.00%	2014	7.90%
2018	6.51%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersy Division of Pension's reporting on GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2023 was not available; therefore, the information from the measurement period June 30, 2022 is disclosed below.

General Information about the State Health Benefit Local Government Retired Employees Plan

Plan Description and Benefits Provided - The City contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit ("OPEB") plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' (the "Division") annual financial statements, which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtml.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd) - 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 postretirement 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.

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The City was billed monthly by the Plan and paid $88,265.24, for the year ended December 31, 2022, representing 0.74% of the City's covered payroll. Retirees were required to contribute $2,731.92.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB Plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. 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.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to disclose in their respective notes to the financial statements, an expense and corresponding revenue, and their proportionate share of the OPEB expense allocated to the State under the special funding situation.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the City, is not known; however, under the special funding situation, the State's OPEB expense (benefit), on-behalf of the City, is ($4,779,766.00) for the year ended December 31, 2021, representing -39.94% of the City's covered payroll.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2022, the City's and State's proportionate share of the net OPEB liability were as follows:

Proportionate Share of Net OPEB Liability	$ 19,910,675.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Employer	29,141,179.00
	$ 49,051,854.00

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

OPEB Liability (Cont'd) – The City's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the City's proportion was 0.123289%, which was a decrease of 0.005325% from its proportion measured as of the June 30, 2021 measurement date, as adjusted.

The State's proportion of the net OPEB liability, on-behalf of the City was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2021 through June 30, 2022. For the June 30, 2022 measurement date, the State's proportion on-behalf of the City was 0.863747%, which was an increase of 0.031760% from its proportion measured as of the June 30, 2021 measurement date, as adjusted.

OPEB (Benefit) Expense - At December 31, 2022, the City's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2022 measurement date, is ($237,979.00). This (benefit) expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the City made contributions to the Plan totaling $88,265.24.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2022, the City had deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 1,028,209.00	$ 3,690,593.00
Changes of Assumptions	2,657,162.00	6,795,129.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	5,242.00	-
Changes in Proportion	2,476,694.00	3,183,999.00
Contributions Subsequent to the Measurement Date	41,376.64	-
	$ 6,208,683.64	$ 13,669,721.00

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of $41,376.64 will be included as a reduction of the City's net OPEB liability during the year ending December 31, 2023. The City will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience			Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2018	-	8.14	June 30, 2018	5.00	-
June 30, 2019	-	8.05	June 30, 2019	5.00	-
June 30, 2020	7.87	-	June 30, 2020	5.00	-
June 30, 2021	-	7.82	June 30, 2021	5.00	-
June 30, 2022	7.82	-	June 30, 2022	5.00	-
Changes of Assumptions			Changes in Proportion		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04	June 30, 2017	8.04	8.04
June 30, 2018	-	8.14	June 30, 2018	8.14	8.14
June 30, 2019	-	8.05	June 30, 2019	8.05	8.05
June 30, 2020	7.87	-	June 30, 2020	7.87	7.87
June 30, 2021	7.82	-	June 30, 2021	7.82	7.82
June 30, 2022	-	7.82	June 30, 2022	7.82	7.82

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

Year Ending Dec. 31,	
2023	$ (1,901,275.00)
2024	(1,902,868.00)
2025	(1,130,798.00)
2026	(271,568.00)
2027	456,738.00
Thereafter	(2,752,643.00)
	$ (7,502,414.00)

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases *

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

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

* salary increases are based on years of service within the respective Plan

Actuarial assumptions used in the 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.

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools.* The CMF invests in U.S. government and agency obligations, commercial paper, corporate obligations and certificates of deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of $1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Actuarial Assumptions (Cont'd)

Health Care Trend Assumptions - The health care trend assumptions used is as follows:

	Annual Rate of Increase			
	Medical Trend			Prescription Drug Trend
Fiscal Year Ending	Pre-65	PPO Post-65	HMO Post-65	
2023	6.25%	-1.89%	-1.99%	8.00%
2024	6.00%	-6.00%	-6.15%	7.50%
2025	5.75%	6.99%	7.02%	7.00%
2026	5.50%	15.04%	15.18%	6.50%
2027	5.25%	13.00%	13.11%	6.00%
2028	5.00%	11.47%	11.56%	5.50%
2029	4.75%	10.27%	10.35%	5.00%
2030	4.50%	9.29%	9.35%	4.50%
2031	4.50%	8.50%	8.55%	4.50%
2032	4.50%	6.25%	6.27%	4.50%
2033 and Later	4.50%	4.50%	4.50%	4.50%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability, calculated using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Proportionate Share of the Net OPEB Liability	$ 23,080,481.00	$ 19,910,675.00	$ 17,360,270.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	33,780,493.00	29,141,179.00	25,408,417.00
	$ 56,860,974.00	$ 49,051,854.00	$ 42,768,687.00

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

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Proportionate Share of the Net OPEB Liability	$ 16,890,825.00	$ 19,910,675.00	$ 23,778,252.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	24,721,339.00	29,141,179.00	34,801,749.00
	$ 41,612,164.00	$ 49,051,854.00	$ 58,580,001.00

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Supplementary OPEB Information

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the City's Proportionate Share of the Net OPEB Liability (Last Six Plan Years)

	Measurement Date Ended June 30,		
	2022	2021 (a)	2020
Proportion of the Net OPEB Liability	0.123289%	0.128614%	0.122841%
Proportionate Share of the Net OPEB Liability	$ 19,910,675.00	$ 23,150,239.00	$ 22,045,799.00
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	29,141,179.00	32,125,996.00	31,028,121.00
Total	$ 49,051,854.00	$ 55,276,235.00	$ 53,073,920.00
Covered Payroll (Plan Measurement Period)	$ 11,808,067.00	$ 11,578,104.00	$ 11,463,471.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	168.62%	199.95%	192.31%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	-0.36%	0.28%	0.91%

	Measurement Date Ended June 30,		
	2019	2018	2017
Proportion of the Net OPEB Liability	0.111776%	0.121665%	0.123908%
Proportionate Share of the Net OPEB Liability	$ 15,141,256.00	$ 19,060,791.00	$ 25,296,796.00
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	25,763,940.00	28,646,320.00	42,797,606.00
Total	$ 40,905,196.00	$ 47,707,111.00	$ 68,094,402.00
Covered Payroll (Plan Measurement Period)	$ 11,330,190.00	$ 10,841,736.00	$ 11,112,765.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	133.64%	175.81%	227.64%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Supplementary OPEB Information (Cont'd)

Schedule of the City's Contributions (Last Six Years)

	Year Ended December 31,		
	2022	2021	2020
Required Contributions	$ 88,265.24	$ 82,093.91	$ 55,491.27
Actual Contributions in Relation to the Required Contribution	(88,265.24)	(82,093.91)	(55,491.27)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 11,967,021.00	$ 11,625,987.00	$ 11,563,530.00
Contributions as a Percentage of Covered Payroll	0.74%	0.71%	0.48%

	Year Ended December 31,		
	2019	2018	2017
Required Contributions	$ 46,463.19	$ 92,067.54	$ 96,634.07
Actual Contributions in Relation to the Required Contribution	(46,463.19)	(92,067.54)	(96,634.07)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 11,451,266.00	$ 10,979,296.00	$ 11,041,596.00
Contributions as a Percentage of Covered Payroll	0.41%	0.84%	0.88%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, included changes due to employers adopting and /or changing Chapter 48 provisions.

Changes in Assumptions - The discount rate used as of the June 30 measurement date is as follows:

Year	Rate	Year	Rate
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above. In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated experience study. There were no changes to mortality projections.

Note 12: COMPENSATED ABSENCES

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward.

The City compensates employees for unused sick leave upon retirement. The current policy provides one compensated day for every two days accumulated. There is a maximum pay-out of $15,000.00 for employees who commence service with the City on or after May 21, 2010, and is paid at the rate of pay upon termination or retirement.

The City has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2023, the balance of the fund was $76,600.48. It is estimated that, at December 31, 2023, accrued benefits for compensated absences are valued at $1,838,893.98.

Note 13: DEFERRED COMPENSATION SALARY ACCOUNT

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the City or its creditors. Since the City does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the City's financial statements.

Note 14: CAPITAL DEBT

General Improvement Bonds

General Improvement Bonds, Series 2021 - On May 5, 2021, the City issued $12,035,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 3.0%. The purpose of the bonds is to fund various capital projects in the City. The final maturity of the bonds is March 1, 2036.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

Year	Principal	Interest	Total
2024	$ 735,000.00	$ 241,275.00	$ 976,275.00
2025	750,000.00	219,000.00	969,000.00
2026	765,000.00	196,275.00	961,275.00
2027	780,000.00	173,100.00	953,100.00
2028	790,000.00	149,550.00	939,550.00
2029-2033	4,160,000.00	483,900.00	4,643,900.00
2034-2036	2,725,000.00	82,450.00	2,807,450.00
Totals	$ 10,705,000.00	$ 1,545,550.00	$ 12,250,550.00

Note 14: CAPITAL DEBT (CONT'D)

Water and Sewer Improvement Bonds

Water and Sewer Improvement Bonds, Series 2021 - On May 5, 2021, the City issued $615,000.00 of water and sewer improvement bonds, with interest rates ranging from 2.0% to 3.0%. The purpose of the bonds is to fund various water and sewer capital ordinances. The final maturity of the bonds is March 1, 2031.

The following schedule represents the remaining debt service, through maturity, for the sewer improvement bonds:

Year	Principal	Interest	Total
2024	$ 60,000.00	$ 12,350.00	$ 72,350.00
2025	60,000.00	10,550.00	70,550.00
2026	60,000.00	8,750.00	68,750.00
2027	60,000.00	6,950.00	66,950.00
2028	65,000.00	5,075.00	70,075.00
2029-2031	205,000.00	6,250.00	211,250.00
Totals	$ 510,000.00	$ 49,925.00	$ 559,925.00

Water and Sewer Utility Debt - New Jersey Environmental Infrastructure Loans

From 2003 to 2010, the City entered into five loan agreements with the New Jersey Environmental Infrastructure Trust to provide funding, at no interest, from the fund loan, and at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund various projects within the City. Semiannual debt payments are due February 1st and August 1st through 2029.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans:

Year	Principal	Interest	Total
2024	$ 300,789.82	$ 38,820.00	$ 339,609.82
2025	303,516.51	31,695.00	335,211.51
2026	311,400.57	24,372.50	335,773.07
2027	313,686.72	16,632.50	330,319.22
2028	172,182.71	8,720.00	180,902.71
2029	182,183.08	4,560.00	186,743.08
Totals	$ 1,583,759.41	$ 124,800.00	$ 1,708,559.41

Note 14: CAPITAL DEBT (CONT'D)

The following schedule represents the City's summary of debt for the current and two previous years:

	2023	2022	2021
Issued			
General:			
Bonds, Loans and Notes	$ 10,705,000.00	$ 11,470,776.80	$ 12,196,252.62
Water and Sewer Utility:			
Bonds, Loans and Notes	2,093,759.41	2,530,879.72	2,986,279.05
Solid Waste Utility:			
Notes			81,000.00
Total Issued	12,798,759.41	14,001,656.52	15,263,531.67
Authorized but not Issued			
General:			
Bonds and Notes	78,170.80	282,472.68	282,472.68
Water and Sewer Utility:			
Bonds and Notes		59,000.00	59,000.00
Solid Waste Utility:			
Bonds and Notes		50,000.00	50,000.00
Total Authorized but not Issued	78,170.80	391,472.68	391,472.68
Total Issued and Authorized but not Issued	12,876,930.21	14,393,129.20	15,655,004.35
Deductions			
General:			
Reserve for Payment of Bonds	268,002.45		405.26
Utilities:			
Self-Liquidating	2,093,759.41	2,639,879.72	3,176,279.05
Total Deductions	2,361,761.86	2,639,879.72	3,176,684.31
Net Debt	$ 10,515,168.35	$ 11,753,249.48	$ 12,478,320.04

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.69%.

	Gross Debt	Deductions	Net Debt
Self-Liquidating	$ 2,093,759.41	$ 2,093,759.41	
General	10,783,170.80	268,002.45	$ 10,515,168.35
	$ 12,876,930.21	$ 2,361,761.86	$ 10,515,168.35

Net debt $10,515,168.35 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, $620,491,138.00, equals 1.69%.

Note 14: CAPITAL DEBT (CONT'D)

Summary of Statutory Debt Condition - Annual Debt Statement

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

3 1/2% of Equalized Valuation Basis (Municipal)		$ 21,717,189.83
Less: Net Debt		10,515,168.35
Remaining Borrowing Power		$ 11,202,021.48

Calculation of "Self-Liquidating Purpose," Water and Sewer Utility Per N.J.S.A. 40:2-45

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		$ 12,649,811.69
Deductions:		
Operating and Maintenance Costs	$ 10,191,548.00	
Debt Service	499,386.00	
Total Deductions		10,690,934.00
Excess in Revenue		$ 1,958,877.69

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 15: CCIA PROJECT AGREEMENT PAYABLE

The City entered into a lease agreement (CCIA project agreement payable) on December 1, 2021, with the Cumberland County Improvement Authority (the "Authority") for assistance from the Authority in the development and financing related to the construction of a new approximately 30,000 square foot fire station for use by the City fire department and emergency medical services ("the Project") on property owned and operated by the City. The Authority issued $7,495,000.00 of City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project) on December 22, 2021 ("2021 Bonds"). In addition to the proceeds of the 2021 Bonds, the City expects to use up to $5,000,000.00 of funds to be received by the City under the American Rescue Plan to complete the project.

The lease agreement will provide that the City will lease the Project Site to the Authority to construct the Facility; and the Authority will lease the Facility to the City. Pursuant to the lease agreement, the City will make certain lease payments to the Authority in an aggregate amount equal to the principal, redemption premium, if any, and interest on the Bonds as well as applicable additional lease payments as the same become due and payable on each lease payment date. The City's payment obligations created under the lease agreement shall be direct, general, irrevocable and unconditional obligations of the City payable from any source legally available to the City, including, without limitation, the general tax revenues of the City, and the City shall, if necessary, levy ad valorem taxes upon all the taxable property within the jurisdiction of the City for the payment of such obligations, without limitation as to rate or amount.

Note 15: CCIA PROJECT AGREEMENT PAYABLE (CONT'D)

The 2021 Bonds are not and shall not be in any way a debt or liability of the state or any subdivision thereof (other than the Authority solely to the extent of the pledged property and the City to the extent of the lease payments) and do not and shall not create or constitute any indebtedness, liability or obligation of said state, or of any subdivision (other than the authority solely to the extent of the pledged property and the City to the extent of the lease payments), either legal, moral or otherwise. the authority is obligated to pay the principal or redemption price of and interest on the 2021 Bonds from the revenues and funds pledged thereto. The authority has no taxing power.

The 2021 Bonds do not constitute any indebtedness of the City and are not included as outstanding debt. However, as a condition of approval for the Authority to issue the 2021 Bonds, the State of New Jersey, Local Finance Board stipulated that for all subsequent borrowings by the City that the City receive approval from the Director of the Division of Local Government Services.

The following schedule represents the remaining debt service, through maturity for the Authority related to the 2021 Bonds, which will be the obligation of the City through the lease agreement included herein:

Year	Principal	Interest	Total
2024	$ 150,000.00	$ 261,650.00	$ 411,650.00
2025	160,000.00	255,650.00	415,650.00
2026	165,000.00	249,250.00	414,250.00
2027	170,000.00	242,650.00	412,650.00
2028	175,000.00	235,850.00	410,850.00
2029-2033	1,000,000.00	1,067,450.00	2,067,450.00
2034-2038	1,220,000.00	852,800.00	2,072,800.00
2039-2043	1,430,000.00	639,950.00	2,069,950.00
2044-2048	1,710,000.00	353,250.00	2,063,250.00
2049-2051	1,170,000.00	70,800.00	1,240,800.00
Total	$ 7,350,000.00	$ 4,229,300.00	$ 11,579,300.00

Note 16: ARBITRAGE REBATE

The Tax Reform Act of 1986 placed restriction on investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined, at the option of the issuing entity, as either the date of the first anniversary of bond settlement or the issuing entity's year end.

The City has the following bond issue outstanding that requires a rebate calculation:

Bonds Issued	Issued General Capital Fund	Issued Water Sewer Utility Capital Fund	Total Issued	Liability
July 30, 2020	$ 12,035,000.00	$ 615,000.00	$ 12,650,000.00	(1)

(1) The rebate calculation on these bonds is required to be made at least once every five years. It is anticipated that when such calculation is made, the liability, if any, will be appropriated in that year's general budget.

Note 17: RISK MANAGEMENT

The City 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.

New Jersey Unemployment Compensation Insurance - The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The City is billed quarterly for amounts due to the State.

The following is a summary of the activity and the ending balance of the City's trust fund for the current and previous two years:

Year	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2023	$ 26,902.91	$2,104.60	$ 49,049.29	$ 298,625.28
2022	25,073.83	643.19	15,112.96	318,667.06
2021	22,934.01	735.05	12,580.07	308,063.00

Joint Insurance Pool - The City is a member of the Statewide Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the City with the following coverage:

Property - Blanket Building and Grounds
General and Automobile Liability
Boiler and Machinery
Crime Coverage
Professional Liability
Pollution Liability
Non-Owned Aircraft Liability
Privacy Security and Technology Risk Insurance
Workers Compensation

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Statewide Insurance Fund
One Sylvan Way
Suite 100
Parsippany, New Jersey 07054

Note 18: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On November 7, 2023 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the City authorized the establishment of the City of Bridgeton Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2024, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the referendum, the City levies a tax not to exceed two cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the City of Bridgeton Open Space, Recreation and Farmland Preservation Trust Funds.

Note 19: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amount, if any, to be immaterial.

Litigation - The City is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the City, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 20: CONCENTRATIONS

The City depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 21: TAX ABATEMENTS

The City enters into property tax abatement agreements with various local businesses, residential properties and Not for Profit entities, under several New Jersey Statutes that permit the City to enter into these agreements. The tax abatements are considered long term tax exemptions and their types of abatements vary between entities but include affordable housing, commercial/industrial, healthcare/not for profit and several five-year Urban Enterprise Zone residential properties.

For the year ended December 31, 2023, the City abated $2,220,403.62 in local purpose taxes and received in the aggregate of $979,507.09 in lieu of local purpose taxes.

Note 21: TAX ABATEMENTS (CONT'D)

The following is a recapitulation of the total amount of taxes abated under the four aforementioned tax abatement programs:

Tax Abatement Program	Amount of Taxes Abated
Bridgeton Senior Housing	$ 132,139.50
CA Villas	15,699.33
CA Villas	42,793.34
Bridgeton Apartments Urban Renewal	144,079.34
Community Health Care	19,345.63
Tri County Community Action Partnership	13,438.27
Kintock Group	171,280.58
Kintock Group	76,831.39
Ardagh Glass Addition	25,726.64
NIA Amity Heights	193,635.00
Hope VI	726,980.27
UEZ 5 Year Abatements	446,850.00
River Grove	202,720.95
Bridgeton Redevelopment	8,883.38

APPENDIX C

FORMS OF PRINCIPAL FINANCING DOCUMENTS

TRUST INDENTURE

between

THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

Dated as of October 1, 2024

Relating to

$_____
The Cumberland County Improvement Authority
City General Obligation Lease Revenue Bonds
(Bridgeton Fire Station Project), Series 2024

TRUST INDENTURE

This **TRUST INDENTURE** ("Indenture"), dated as of October 1, 2024, between **THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY**, a public body corporate and politic of the State of New Jersey ("Authority"), and **U.S. Bank Trust Company, National Association**, a national banking association duly organized and existing under and by virtue of the laws of the United States of America, with trust and fiduciary powers in the State of New Jersey, being duly qualified to accept and administer the trusts created hereby ("Trustee"),

W I T N E S S E T H:

WHEREAS, the Authority, a public body corporate and politic and a political subdivision of the State of New Jersey ("State"), organized and existing under the Act (as hereinafter defined) and created pursuant to a resolution of the Board of Chosen Freeholders of the County of Cumberland ("County") adopted on December 30, 1980, and any successor to its duties and functions, is authorized by the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State of New Jersey, as amended and supplemented (*N.J.S.A.* 40:37A-44 *et seq.*) ("Act"), to provide within the County, public facilities (as defined in the Act) for use by the State, the County or any beneficiary county, or any municipality in the County, or any two (2) or more or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

WHEREAS, the Authority is authorized by the Act, specifically *N.J.S.A.* 40:37A-78, to enter into and perform any lease or other agreement with a county, municipality, governmental unit or Person for the lease to or use by such county, municipality, governmental unit or person of all or any part of any public facility or facilities; and

WHEREAS, on December 22, 2021 the Authority issued its $7,495,000 City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2021 to assist the City of Bridgeton ("City") for the purposes of providing funds for a project consisting of: (i) the planning, design and construction of a new approximately 30,000 square foot a fire station for use by the City's fire department and emergency medical services ("Facility") located at 168 East Commerce Street in the City (Lot 1, Block 121) ("Project Site"), which Project Site is owned and operated by the City; including all other costs and expenses necessary for or related to the development, construction and equipping of the Facility (collectively, the "Initial Project"); (ii) capitalized interest and the funding of any reserve funds, as may be necessary; and (iii) the costs of issuance with respect to such financing; and

WHEREAS, the City has made a subsequent request to the Authority for its assistance to provide financing for the purpose of: (i) undertaking and completing further capital improvements to the Facility on the Project Site, including the expansion, furnishing, equipping and completion of construction thereof (collectively, the "2024 Construction Project" and, together with the Initial Project, the "Facilities Project"); (ii) funding capitalized interest and the funding of any reserve funds, as may be necessary; and (iii) financing the costs of issuance with respect to the proposed financing (items (i), (ii) and (iii) herein are collectively, the "2024 Project"); and

WHEREAS, the Authority, in recognition of the importance of the 2024 Construction Project for the City, has offered to provide support and assistance to the City with respect to facilitating the financing of the 2024 Project; and

WHEREAS, the Authority has determined, pursuant to the Act, to finance the costs of the 2024 Project through the issuance of one or more series (which may include at least one series of tax-exempt bonds) of its "City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2024" in an aggregate principal amount not to exceed $3,000,000 ("Series 2024 Bonds") (which amount represents the costs of the 2024 Project less any funds received by the City from the American Rescue Plan Act of 2021 and appropriated by the City to the 2024 Project); and

WHEREAS, the Authority has, pursuant to a Bond Resolution adopted on August 28, 2024, entitled "BOND RESOLUTION OF THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF UP TO $3,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE AUTHORITY'S CITY GENERAL OBLIGATION LEASE REVENUE BONDS (BRIDGETON FIRE STATION PROJECT), SERIES 2024, IN ONE OR MORE SERIES, ON A TAX-EXEMPT BASIS; MAKING CERTAIN DETERMINATIONS AND APPROVALS WITH RESPECT TO SAID BONDS; AND AUTHORIZING CERTAIN ACTIONS", ("Bond Resolution"), authorized, *inter alia*, the issuance of the Series 2024 Bonds to finance the costs of the 2024 Project; and

WHEREAS, the City has, pursuant to an ordinance finally adopted on August 20, 2024, authorized and approved, *inter alia*, its obligations under this Indenture and the execution and delivery of a Lease Agreement, to be dated as of October 1, 2024, between the Authority and the City ("Lease Agreement"); and

WHEREAS, pursuant to the Lease Agreement: (i) the City will continue to lease the Project Site to the Authority to construct the 2024 Construction Project; and (ii) the Authority will lease the 2024 Construction Project to the City; and

WHEREAS, the Authority has applied to the Local Finance Board of the State Department of Community Affairs, Division of Local Government Services ("Local Finance Board"), for review of the 2024 Project and the financing thereof with the proceeds of the Series 2024 Bonds and has received the requisite positive findings from the Local Finance Board on August 14, 2024; and

WHEREAS, the Authority will, pursuant to the Act: (i) provide for the financing of the Costs (as hereinafter defined) of the 2024 Project by the issuance of the Series 2024 Bonds; (ii) utilize a portion of the proceeds of the Series 2024 Bonds to finance the Costs of the construction of the 2024 Construction Project; and (iii) upon completion, lease the 2024 Construction Project to the City pursuant to the terms and conditions set forth in the Lease Agreement and herein; and

WHEREAS, pursuant to the terms of the Lease Agreement, the City will be required to make certain Lease Payments (as hereinafter defined) to the Authority on each Lease Payment Date (as hereinafter defined) in an amount equal to the Debt Service (as hereinafter defined) on the Series 2024 Bonds due on the immediately succeeding Interest Payment Date (as hereinafter defined) and/or Principal Installment Date (as hereinafter defined), as the case may be; and

WHEREAS, the Series 2024 Bonds shall be special, limited obligations of the Authority,

payable solely from and secured by its interest in the Pledged Property (as defined herein), including: (i) the Revenues (as defined herein); (ii) the Funds and Accounts (as each term is defined herein) established hereunder (other than the Rebate Fund), including Investment Securities (as defined herein) held in any such Funds or Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of this Indenture; and

WHEREAS, all things necessary to make the Series 2024 Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid, legal and binding obligations of the Authority and to constitute this Indenture a valid, legal and binding agreement and pledge of the property, rights, interests and revenues herein pledged and assigned, have been done and performed, and the execution and delivery of this Indenture and the issuance and delivery of the Series 2024 Bonds, subject to the terms hereof, have in all respects been duly authorized; and

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds (as defined herein) by the Owners (as defined herein) thereof, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the principal of, redemption premium, if any, and interest on all of the Bonds issued and Outstanding (as defined herein) under this Indenture from time to time according to their tenor and effect, and to secure the performance and observance by the Authority of all the covenants, agreements and conditions herein and in the Bonds contained, the Authority does hereby transfer, pledge and assign to the Trustee and its successors and assigns in trust forever, and does hereby grant a security interest unto the Trustee and its successors in trust and its assigns, in the Pledged Property, including any and all other property (real, personal or mixed) of every kind and nature from time to time hereafter by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the Authority or by anyone in its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof; and

TO HAVE AND TO HOLD, with all rights and privileges hereby transferred, pledged, assigned and/or granted or agreed or intended so to be, to the Trustee and its successors and assigns in trust forever; and

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Bonds, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of one bond over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided; and

PROVIDED, NEVERTHELESS, and these presents are upon the express condition that, if the Authority or its successors or assigns shall well and truly pay or cause to be paid the principal of such Bonds with interest, according to the provisions set forth in the Bonds or shall provide for the payment or redemption of such Bonds by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable hereunder by the Authority then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Trustee, on payment

of its lawful charges and disbursements then unpaid, on demand of the Authority and upon the payment of the costs and expenses thereof, shall duly execute, acknowledge and deliver to the Authority such instruments of satisfaction or release as may be necessary or proper to discharge this Indenture of record, and if necessary shall grant, reassign and deliver to the Authority, its successors or assigns, all the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force and effect; and

NOW, THEREFORE, it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and that all the Pledged Property is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority does hereby agree and covenant with the Trustee and with the respective Owners from time to time of the Bonds, as their interests may appear, as follows.

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ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 101. Definitions. The following terms shall, for all purposes of this Indenture, have the following meanings:

Account or **Accounts** shall mean, as the case may be, each or all of the Accounts established and created under Article V of this Indenture.

Accountant's Certificate shall mean a certificate signed by an independent certified public accountant of recognized standing or a firm of independent certified public accountants of recognized standing, selected by the Authority, who may be the accountant or firm of accountants who regularly audit the books of the Authority.

Accrued Aggregate Debt Service shall mean, as of any date of calculation, an amount equal to the sum of the amounts of accrued Debt Service, calculating the accrued Debt Service as an amount equal to the sum of: (i) interest on the Bonds accrued and unpaid and to accrue to the end of the then current calendar month; and (ii) Principal Installments due and unpaid and that portion of the Principal Installment next due which would have accrued (if deemed to accrue in the manner set forth in the definition of "Debt Service") to the end of such calendar month.

Act shall mean the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State (*N.J.S.A.* 40:37A-44 *et seq.*), as amended and supplemented from time to time.

Additional Lease Payments shall mean any and all amounts payable by the City to the Authority pursuant to the Lease Agreement including, but not limited to, the annual Trustee's fee and annual Authority Administrative Expenses, professional fees incurred for any arbitrage calculation, arbitrage rebate expenses, and all direct and indirect costs and expenses incurred by the Authority related to the enforcement of this Indenture and the Lease Agreement, including reasonable attorneys' fees related hereto and thereto.

Additional Project shall mean any additions to the 2024 Construction Project or any enlargements thereof undertaken pursuant to Section 7.03 of the Lease Agreement.

Aggregate Debt Service for any period shall mean, as of any date of calculation, the aggregate Debt Service for such period with respect to all Bonds Outstanding or to be (or assumed to be) Outstanding during such period.

Agreement or **Lease Agreement** shall mean the Lease Agreement, dated as of October 1, 2024, between the Authority and the City, together with any supplements and amendments thereto relating to the 2024 Project to be financed with the proceeds of the Series 2024 Bonds issued by the Authority.

Annual Authority Administrative Fee shall mean the annual fee for the general administrative expenses of the Authority for the Bonds as set forth in the Lease Agreement.

Article shall mean a specified Article hereof, unless otherwise indicated.

Authority shall have the meaning set forth in the Recitals to this Indenture.

Authority Administrative Expenses shall mean 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 Indenture and the Lease Agreement, as applicable, including, but not limited to: (i) the Initial Authority Financing Fee; (ii) the Annual Authority Administrative Fee; (iii) 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 2024 Project or the compelling of the full and punctual performance of the Bond Resolution, this Indenture and the Lease Agreement in accordance with the terms thereof and hereof; (iv) all fees and expenses including, but not limited to, indemnification expenses, if any, of counsel, auditors, insurers, Fiduciaries and others; and (v) 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 Indenture and the Lease Agreement, all to the extent not capitalized pursuant to the requirements of this Indenture, which Authority Administrative Expenses shall be paid as Additional Lease Payments by the City.

Authorized Authority Representative shall mean any Person or Persons authorized to act on behalf of the Authority by a written certificate signed on behalf of the Authority by the Chairman or Vice Chairman of the Authority containing the specimen signature of each such Person.

Authorized City Representative shall mean any Person or Persons authorized to act on behalf of the City as shall be set forth in a written certificate signed on behalf of the City by the Mayor or Chief Financial Officer, which form of certificate is set forth as Exhibit D to the Lease Agreement and incorporated by reference herein.

Authorized Denominations shall mean $5,000 or any integral multiple of $5,000.

Authorized Newspaper shall mean *The Bond Buyer*, or any successor thereto, or any financial newspaper customarily published at least once a day for at least five (5) days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York.

Bond or **Bonds** shall mean, collectively: (i) the Series 2024 Bonds issued pursuant to Sections 201, 202 and 203 of this Indenture to provide funds to finance the Costs of the 2024 Project; and (ii) Refunding Bonds, if any.

Bond Counsel shall mean the law firm of Parker McCay P.A., Mount Laurel, New Jersey, or any other lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Authority and acceptable to the Trustee.

Bondholder, **Holder**, **Holder of Bonds** or **Owner** shall mean any Person who shall be the Registered Owner of any Bond or Bonds.

Bond Registrar shall mean the Trustee, its successors and assigns, or any other commercial bank or trust company organized under the laws of any state of the United States of America or national banking association appointed by the Authority to perform the duties of the Bond Registrar enumerated in Section 305 of this Indenture.

Bond Resolution shall mean the resolution adopted by the Authority on August 28, 2024 entitled, "BOND RESOLUTION OF THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF UP TO $3,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE AUTHORITY'S CITY GENERAL OBLIGATION LEASE REVENUE BONDS (BRIDGETON FIRE STATION PROJECT), SERIES 2024, IN ONE OR MORE SERIES, ON A TAX-EXEMPT BASIS; MAKING CERTAIN DETERMINATIONS AND APPROVALS WITH RESPECT TO SAID BONDS; AND AUTHORIZING CERTAIN ACTIONS", as the same may be amended, modified and supplemented in accordance with the provisions hereof.

Bond Year shall mean, with respect to the Series 2024 Bonds, each one (1) year period that ends on the day that is selected by the Authority. The first and last Bond Years may be short periods. If no day is selected by the Authority before the earlier of the final maturity date of the Series 2024 Bonds or the date that is five (5) years after the Issue Date, Bond Years shall end on each anniversary of the Issue Date and on the final maturity date of the Series 2024 Bonds. For each Series of Refunding Bonds, Bond Year shall be designated in the Supplemental Indenture pursuant to which such Series of Bonds is issued.

Business Day shall mean any day that is not a Saturday, a Sunday or a legal holiday in the State or the State of New York or a day on which the Trustee, the Bond Registrar, any Paying Agent, the City or the Authority is legally authorized to close.

Cede shall have the meaning set forth in Section 204(a) hereof.

City shall mean the City of Bridgeton, in the County of Cumberland, New Jersey, a municipal corporation of the State.

Code shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations promulgated thereunder.

Completion Certificate shall mean the certificate described in Section 4.05 of the Lease Agreement, executed by the City and the Authority, wherein, with respect to the 2024 Construction Project (including any Additional Project), the City certifies as to such matters as the Authority shall require, and which certificate further satisfies the requirements of Section 503(4) hereof.

Completion Date shall mean the date of completion of the 2024 Construction Project as stated in the Completion Certificate.

Construction Fund shall mean the Fund so designated, created and established pursuant to Section 502(1) of this Indenture.

Continuing Disclosure Agreement shall have the meaning set forth in Section 820 of this Indenture.

Cost or **Costs** shall mean and shall be deemed to include, with respect to the 2024 Project or any portion thereof, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of the Lease Agreement: (i) the costs of payment of, or reimbursement for, the acquisition, improvement, installation and financing of such 2024 Project including, but not limited to, environmental or remediation costs, advances or progress payments, appraisals, engineering, design, site work, surveys, title insurance, demolition, construction and equipment costs, installation costs, administrative costs and capital expenditures relating to the 2024 Project, financing payments, sales taxes, excise taxes, property taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs, fees and charges of the Trustee pursuant to this Indenture, financing documents, legal fees and charges, financial, accounting and other professional consultant fees, the Initial Authority Financing Fee for a particular Series of Bonds, all professional and consulting fees and charges of the Authority and the City, costs of rating agencies, bond insurance, bond insurers or credit ratings, fees for the printing, execution, transportation and safekeeping of the Bonds, and any charges and fees in connection with any of the foregoing; (ii) all other costs which the City or the Authority shall be required to pay under the terms of any contract or contracts for the acquisition of the 2024 Construction Project including, but not limited to, the cost of insurance; (iii) any sums required to reimburse the City for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the 2024 Construction Project; (iv) deposits in any Fund or Account under this Indenture, all as shall be provided in this Indenture; and (v) such other expenses not specified herein or in the Lease Agreement as may be necessary or incidental to the construction of the 2024 Construction Project, the financing thereof and the placing of the same in use and operation. Cost as defined herein shall be deemed to include the cost and expenses incurred by any agent of the Authority or the City for any of the above-mentioned items or in connection with the administration and enforcement of the Lease Agreement.

County shall mean the County of Cumberland, New Jersey.

Debt Retirement Fund shall mean the Fund so designated, created and established pursuant to Section 502(6) of this Indenture.

Debt Service for any period shall mean, as of any date of calculation, with respect to a particular Series of Bonds, including the Series 2024 Bonds, an amount equal to the sum of: (i) the interest accruing during such period on such Series of Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the applicable Account in the Debt 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 immediately 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 original issuance of a particular Series of Bonds, whichever is later. Such interest and Principal Installments for such Series of Bonds 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 a 360-day year.

Debt Service Fund shall mean the Fund so designated, created and established pursuant to Section 502(5) of this Indenture.

Debt Service Requirement with respect to the next Interest Payment Date for any Series of Bonds shall mean: (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; and (ii) in the case of an Interest Payment Date on which interest and/or a Principal Installment or Installments shall be due, interest accrued and unpaid and to accrue to such date, if any, *plus* the Principal Installment or Installments due on such date. The calculations in the preceding sentence shall be made on the basis of a thirty (30) day month and a three hundred sixty (360) day year.

Default Interest shall have the meaning given to such term in Section 308(2) hereof.

Default Interest Payment Date shall have the meaning given to such term in Section 308(2) hereof.

DTC shall mean The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for any Series of Bonds authorized as book-entry Bonds pursuant to Section 204 hereof.

Event of Default shall have the meaning given to such term in Section 901 hereof.

Facilities Project shall mean, together, the Initial Project and the 2024 Construction Project, to be located at the Project Site.

Facility shall mean the Bridgeton Fire Station Complex for use by the City of Bridgeton Fire Department located on the Project Site.

Favorable Opinion of Bond Counsel shall mean an opinion of Bond Counsel, addressed to the Authority, the City and the Trustee, to the effect that the action proposed to be taken is authorized or permitted by this Indenture, any Supplemental Indenture and the Act and will not adversely affect the exclusion of interest on such Series of Bonds from gross income for purposes of Federal income taxation under Section 103 of the Code.

Fiduciary or **Fiduciaries** shall mean the Trustee, the Paying Agent, the Bond Registrar, the dissemination agent pursuant to the Continuing Disclosure Agreement, or any or all of them, as may be appropriate.

Fiscal Year shall mean the respective twelve (12) month fiscal periods of the City or the Authority, as applicable.

Fitch shall mean Fitch Ratings, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

Fund or **Funds** shall mean, as the case may be, each or all of the Funds created and established in Section 502 of this Indenture; provided, however, that such Funds do not constitute "funds" in accordance with generally accepted accounting principles.

Government Obligations shall mean:

(a) direct obligations of, or obligations and the principal of and interest on which are unconditionally guaranteed as to full and timely payment by, the United States of America;

(b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of and interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the United States of America (including any securities described in clause (a) above issued or held in book-entry form in the name of the Trustee only on the books of the Department of Treasury of the United States of America);

(c) any certificates or any other evidence of an ownership interest in obligations or specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in clause (a) or (b) above, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian;

(d) stripped obligations of interest issued by the Resolution Funding Corporation pursuant to the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), the interest on which, to the extent not paid from other specified sources, is payable when due by the Secretary of the Treasury pursuant to FIRREA; and

(e) obligations of any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision, provided that cash, obligations described in clauses (a), (b), (c) or (d) above, or a combination thereof have been irrevocably pledged to and deposited into a segregated escrow account for the payment when due of the principal or purchase, such obligations are rated AAA by Fitch, Aaa by Moody's or AAA by S&P.

Indenture shall mean this Trust Indenture, dated as of October 1, 2024, between the Authority and the Trustee, as amended, modified and supplemented in accordance with the provisions hereof.

Initial Authority Financing Fee shall mean, with respect to: (i) the Series 2024 Bonds, one-eighth of one percent of the aggregate principal amount of the bonds; and (ii) any other Series of Refunding Bonds, the amount specified in the applicable Supplemental Indenture authorizing such Series of Bonds.

Initial Project shall mean the planning, design and construction of an approximately 30,000 square foot a fire station for use by the City's fire department and emergency medical services located at the Project Site, which Project Site is owned and operated by the City; including all other costs and expenses necessary for or related to the development, construction and equipping of the Facility.

Insurer shall mean Build America Mutual Assurance Company, or any successor thereto.

Interest Payment Date shall mean: (i) with respect to the Series 2024 Bonds, each June 1 and December 1, commencing June 1, 2025; and (ii) such other dates as shall be established by a Supplemental Indenture authorizing any Series of Refunding Bonds. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

Investment Securities shall mean with respect to moneys in any Funds, Accounts or Subaccounts invested under this Indenture, any of the following securities, if and to the extent the same are at the time of purchase legal for investment of Authority funds pursuant to the provisions of the Local Fiscal Affairs Law, specifically *N.J.S.A.* 40A:5-14 (legal depositories for public moneys) and *N.J.S.A.* 40A:5-15.1 (securities which may be purchased by local units), as same may be amended and supplemented from time to time:

As of the date of execution of this Indenture, the following investments and securities are currently permitted investments under the laws of the State for investment of the Authority's funds when authorized by a cash management plan approved pursuant to *N.J.S.A.* 40A:5-14:

1. The public depositories (as defined in N.J.S.A. 17:9-41) designated by the Authority in an approved cash management plan shall be authorized pursuant to N.J.S.A. 40A:5-14(i) to purchase certificates of deposit in accordance with the following conditions: (1) the funds are initially invested through the designated public depository; (2) the designated public depository arranges for the deposit of the funds in certificates of deposit in one or more federally insured banks or savings and loan associations, for the account of the Authority; (3) one hundred percent (100%) of the principal and accrued interest of each certificate of deposit is insured by the Federal Deposit Insurance Corporation; (4) the designated public depository acts as custodian for the Authority with respect to the certificates of deposit issued for the Authority's accounts; and (5) at the same time that the Authority's funds are deposited and the certificates of deposit are issued, the designated public depository receives an amount of deposits from customers of other banks and savings and loan associations, wherever located, equal to the amount of funds initially invested by the Authority through the designated public depository.

2. Pursuant to N.J.S.A. 40A:5-15.1, the following securities may be purchased which, if suitable for registry, may be registered in the name of the Authority:

   a) Bonds or other obligations of the United States of America or obligations guaranteed by the United State of America;

   b) Government money market mutual funds;

   c) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such

obligation bears a fixed rate of interest not dependent on any index or other external factor;

d) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

e) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L. 1983, c.313 (N.J.S.A. 40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;

f) Local government investment pools;

g) Deposits with the State Cash Management Fund established pursuant to Section 1 of P.L. 1977, c.281 (N.J.S.A. 52:18A-90.4); or

h) Agreements for the repurchase of fully collateralized securities, if:

i. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of subsection b. hereof or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L. 1983, c.313 (N.J.S.A. 40A:5A-1 et seq.);

ii. the custody of collateral is transferred to a third party;

iii. the maturity of the agreement is not more than thirty (30) days;

iv. the underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c.236 (N.J.S.A. 17:9-41); and

v. a master repurchase agreement providing for the custody and security of collateral is executed.

3. Any investment instruments in which the security is not physically held by the local unit shall be covered by a third party custodial agreement which shall provide for the designation of such investments in the name of the local unit and prevent unauthorized use of such investments.

4. Purchase of investment securities shall be executed by the "delivery versus payment" method to ensure that securities are either received by the local unit or a third party custodian prior to or upon the release of the local unit's funds.

5. Any investments not purchased and redeemed directly from the issuer, government money market mutual fund, local government investment pool, or the State of New Jersey Cash Management Fund, shall be purchased and redeemed through the use of a national or State bank located within this State or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L. 1967, C.93 (N.J.S.A. 49:3-56) and has at least $25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

6. For purposes of this definition:

a) a "government money market mutual fund" means an investment company or investment trust:

i. which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. s.80a-1 et seq., and operated in accordance with 17 C.F.R. s.270.2a-7, except that a government money market mutual fund may not impose liquidity fees or redemption gates regardless of whether permitted to do so under 17 C.F.R. s.270.2a-7;

ii. the portfolio of which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. s.270.2a-7, securities that have been issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L. 1983, c.313 (C.40A:5A-1 et seq.) that meet the definition of an eligible security pursuant to 17 C.F.R. s.270.2a-7, and repurchase agreements that are collateralized by such securities in which direct investment may be made pursuant to paragraphs (1), (3), and (5) of subsection b. hereof; and

iii. which is rated by a nationally recognized statistical rating organization.

b) A "local government investment pool" means an investment pool:

i. which is managed in accordance with generally accepted accounting and financial reporting principles for local government investment pools established by the Governmental Accounting Standards Board;

ii. which is rated in the highest category by a nationally recognized statistical rating organization;

iii. which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. s.270.2a-7, securities that have

been issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L. 1983, c.313 (N.J.S.A.40A:5A-1 et seq.) that meet the definition of an eligible security pursuant to 17 C.F.R. 270.2a-7 and repurchase agreements that are collateralized by such securities in which direct investment may be made pursuant to paragraphs (1), (3), and (5) of subsection b. hereof;

iv. which is in compliance with such rules as may be adopted pursuant to the "Administrative Procedure Act," P.L. 1968, c.410 (N.J.S.A. 52:14B-1 et seq.) by the Local Finance Board of the Division of Local Government Services in the Department of Community Affairs, which may promulgate rules providing for disclosure and reporting requirements, and other provisions deemed necessary by the board to provide for the safety, liquidity and yield of the investments;

v. which does not permit investments in instruments that: are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their par value; or utilize an index that does not support a stable net asset value;

vi. which purchases and redeems investments directly from the issuer, government money market mutual fund, or the State of New Jersey Cash Management Fund, or through the use of a national or State bank located within the State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L. 1967, c.93 (C.49:3-56) and has at least $25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities; and

vii. which does not impose liquidity fees or redemption gates.

7. Investments in, or deposits or purchases of financial instruments made pursuant to this Indenture shall not be subject to the requirements of the "Local Public Contracts Law," P.L. 1971, c.198 (N.J.S.A.40A:11-1 et seq.).

Issue Date shall mean, the date on which the Trustee authenticates the applicable Series of Bonds and on which such Bonds are delivered to the purchasers thereof upon original issuance.

Lease or Lease Agreement shall mean the lease by the Authority to the City of the 2024 Construction Project under the terms and conditions set forth therein.

Lease Documents shall mean, collectively, the Lease Agreement, the Continuing Disclosure Agreement, this Indenture, the Bond Resolution and all documents and instruments

executed and delivered in connection therewith and herewith and all amendments and modifications thereto and hereto.

Lease Ordinance shall mean the ordinance adopted by the City on August 20, 2024, approving and authorizing the execution and delivery, among other things, of the Lease Agreement by the City and the performance of its obligations thereunder, including payment of Lease Payment obligations thereunder and Debt Service on any Bonds issued by the Authority pursuant to this Indenture, including the Series 2024 Bonds, entitled "AN ORDINANCE OF THE CITY OF BRIDGETON, IN THE COUNTY OF CUMBERLAND, NEW JERSEY APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT WITH THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY RELATING TO THE ISSUANCE OF UP TO $3,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE AUTHORITY'S CITY GENERAL OBLIGATION LEASE REVENUE BONDS (BRIDGETON FIRE STATION PROJECT) AND ANY NOTES ISSUED IN ANTICIPATION THEREOF BY THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY".

Lease Payment shall mean the sum of money: (i) representing principal and interest necessary to amortize Debt Service on the Series 2024 Bonds payable by the City on each Lease Payment Date, as set forth in Exhibit A to the Lease Agreement, as described in Section 5.02(A) of the Lease Agreement and redemption premium, if any, to the extent required to redeem the Series 2024 Bonds pursuant to Article IV of this Indenture and, as applicable, Additional Lease Payments payable by the City upon demand pursuant to Sections 5.02(A) and (B) of the Lease Agreement, respectively; and (ii) required to be paid pursuant to Section 901(a) hereof).

Lease Payment Date shall mean: (i) with respect to the Series 2024 Bonds, thirty (30) Business Days prior to the applicable Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as the case may be, and (ii) such other dates determined in accordance with the Lease Agreement as may be set forth in a Supplemental Indenture authorizing any other Series of Refunding Bonds.

Lease Term shall mean the period during which the Lease Agreement is in effect as specified in Section 5.01 of the Lease Agreement.

Month shall mean a calendar month.

Moody's shall mean Moody's Investors Services, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

Operating Fund shall mean the Fund so designated, created and established pursuant to Section 502(3) of this Indenture.

Opinion of Counsel means an opinion in writing signed by legal counsel acceptable to the City and, to the extent the Authority is asked to take action in reliance thereon, the Authority, who may be an employee of or counsel to the City.

Outstanding when used with reference to Bonds, shall mean, as of any date, Bonds theretofore or thereupon being authenticated and delivered under this Indenture except:

(i) Bonds canceled by the Trustee at or prior to such date;

(ii) Bonds (or portions of Bonds) for the payment of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, together with interest to accrue thereon to the date of maturity or redemption date, shall be held in an irrevocable trust under this Indenture and set aside for such payment or redemption (whether at or prior to the maturity date); provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as specified in Article IV hereof;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII hereof and as described in Section 1106 hereof; and

(iv) Bonds deemed to have been paid as provided in Section 1201 hereof.

Paying Agent or **Paying Agents** shall mean any bank or trust company organized under the laws of any state of the United States or any national banking association designated as paying agent for the Bonds, and its successors and assigns appointed in the manner provided in this Indenture.

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

Pledged Property shall mean: (i) the Revenues; (ii) the Funds and Accounts established hereunder (other than the Rebate Fund), including Investment Securities held in any such Funds or Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Bonds in accordance with the terms and provisions of this Indenture.

Policy shall mean the Municipal Bond Insurance Policy issued by the Insurer that guarantees the scheduled payment of principal of and interest on the Series 2024 Bonds when due.

Prepayment shall mean any amounts received as prepayments of Lease Payments pursuant to Section 5.05 of the Lease Agreement and any other agreement with respect to any Additional Project.

Principal Installment shall mean, as of any date of calculation, and with respect to a particular Series of Bonds, so long as any Bonds thereof are Outstanding: (i) the principal amount of such Series of Bonds 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 of Bonds, if any, plus the amount of the sinking fund redemption premium, if any, which would be applicable upon redemption of such Series of Bonds on such future date in a principal amount equal to such Sinking Fund Installments.

Principal Installment Date shall mean: (i) with respect to the Series 2024 Bonds, each December 1, commencing December 1, 2025, on which any Principal Installment shall become due and payable by the Authority; or (ii) such other date as set forth in a Supplemental Indenture authorizing any other Series of Refunding 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.

Proceeds shall mean any insurance, condemnation, performance bond, letter of credit or any other financial guaranty proceeds paid with respect to the 2024 Construction Project remaining after payment therefrom of all expenses incurred in the collection thereof; and, with respect to insurance, if and at such time as the City elects to provide self-insurance under Section 7.05 of the Lease Agreement, any moneys payable from any self-insurance fund of the City which may lawfully be expended for the purposes for which such self-insurance is provided.

Proceeds Fund shall mean the Fund so designated, established and created pursuant to Section 502(4) of this Indenture.

Rebate Fund shall mean the Fund so designated, created and established pursuant to Section 502(7) of this Indenture.

Record Date shall mean: (i) with respect to the Series 2024 Bonds, June 1 and December 1 next preceding any Interest Payment Date; or (ii) such other dates as set forth in a Supplemental Indenture authorizing any other Series of Refunding Bonds.

Redemption Price shall mean, with respect to any Bond, the principal amount thereof plus the applicable redemption premium thereon, if any, payable upon redemption thereof pursuant to such Bond or this Indenture or the applicable Supplemental Indenture whether such Redemption Price is expressed as a percentage of the principal amount of the Bond or otherwise.

Refunding Bonds shall mean any Bonds authenticated and delivered on original issuance pursuant to Section 205 hereof and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII hereof and as described in Section 1106 hereof.

Registered Owner shall mean the Owner of any Bond which is issued in fully registered form, as determined on the Record Date, as reflected on 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 Bond Registrar.

Revenue Fund shall mean the Fund so designated, created and established pursuant to Section 502(2) of this Indenture.

Revenues shall mean: (i) all amounts, including Lease Payments, received by the Authority from the City under the Lease Agreement, and any other agreement with respect to any Additional Project; (ii) any moneys or securities held pursuant to this Indenture and paid or required to be paid into the Debt Service Fund; (iii) any payments made by the City to the Authority pursuant to Section 707 hereof; (iv) interest received on any moneys or Investment Securities held under this Indenture (other than in the Rebate Fund) and required to be paid into

the Revenue Fund pursuant to this Indenture; and (v) 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 pursuant to a Supplemental Indenture.

Security Documents shall mean the Bond Resolution, the Lease Agreement, this Indenture and/or any additional or supplemental document executed in connection with the Series 2024 Bonds.

Series shall mean all of the Bonds authenticated and delivered upon original issuance at one or more times pursuant to this Indenture and any Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII hereof and as described in Section 1106 of this Indenture, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

Series 2024 Bonds shall mean all of the City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2024, in the aggregate principal amount of $_____.

Sinking Fund Installment shall mean that designated amount on deposit in the Debt Service Fund which shall be applied by the Trustee to the redemption of Bonds of any Series.

Special Record Date shall have the same meaning given to such term in Section 308 hereof.

Standard & Poor's or **S&P** shall mean S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

State shall mean the State of New Jersey or any successor to its duties and functions.

Supplemental Indenture shall mean any indenture of trust supplemental to or amendatory of the Indenture entered into by the Authority and the Trustee in accordance with Section 11 hereof.

Trustee shall mean, with respect to the Series 2024 Bonds and any other Series of Bonds issued hereunder, U.S. Bank Trust Company, National Association, Edison, New Jersey and its successors and assigns or any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to this Indenture or appointed trustee pursuant to a Supplemental Indenture.

2024 Construction Project shall mean: (i) the design and construction of additional capital improvements to the Facility on the Project Site, including the expansion, furnishing, equipping and completion of construction thereof; (ii) the costs of equipping the Facility; and (iii) all other costs and expenses necessary for or related to the development, construction and equipping of the Facilities Project.

2024 Project shall mean the financing of the Costs associated with: (i) the 2024 Construction Project; (ii) capitalized interest on the Series 2024 Bonds, if any; and (iii) the costs of issuance with respect to the issuance and sale of the Series 2024 Bonds.

Underwriter shall mean the underwriter named in the bond purchase contract between the Authority and the Underwriter, dated the date of sale of the Series 2024 Bonds.

Yield shall mean that yield which when used in computing the present worth of all payments of principal of and interest on an obligation produces an amount equal to its purchase price. The Yield for the Bonds is to be computed in accordance with Treasury Regulations Section 1.148-4. The Yield on an investment is to be computed in accordance with Treasury Regulations Section 1.148-5.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, words importing persons shall include firms, associations, corporations, districts, agencies and bodies, and words of the masculine gender shall mean and include correlative words of the feminine and neuter gender and vice versa. All times referenced herein shall be to prevailing Eastern time unless otherwise specifically noted.

Section 1.02 Rules of Construction. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Indenture:

(a) The terms defined in this Article I include the plural as well as the singular.

(b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with GASB to the extent applicable.

(c) The words "herein," "hereof," "hereunder," "hereto" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(d) The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

(e) Whenever an item or items are listed after the word "including," such listing is not intended to be a listing that excludes items not listed.

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ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 201. Authorization of Bonds. 1. In accordance with the Act and pursuant to the provisions of this Indenture, there is hereby authorized to be issued a Series of Bonds of the Authority in an aggregate principal amount of $_____ designated as "City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2024". The Bonds shall be special and limited obligations of the Authority payable solely from Revenues and secured by the Pledged Property. The Series 2024 Bonds shall be substantially in the form set forth in Section 1301 of this Indenture, with appropriate insertions, omissions and variations.

2. The Bonds may, if and when authorized by the Authority pursuant to this Indenture and one or more Supplemental Indentures, be issued in one or more Series at one or more times, and the designation thereof, in addition to the name "City General Obligation Lease Revenue Bonds", shall include such further appropriate particular designation including, but not limited to "(Bridgeton Fire Station Project)" added to or incorporated in such title for the Bonds of any particular Series as the Authority shall determine herein and in any Supplemental Indenture with respect to such Series of Bonds. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

3. Nothing contained in this Indenture shall be deemed to preclude or restrict the consolidation pursuant to a Supplemental Indenture of any Bonds of two (2) or more separate Series authorized pursuant to such Supplemental Indenture to be issued pursuant to any of the provisions of Sections 202, 203 and 205 hereof into a single Series of Bonds for purposes of sale and issuance; provided that each of the tests, conditions and other requirements contained in Sections 202, 203, 204 and 205 hereof as applicable to each such separate Series shall be met and complied with. Except as otherwise provided in this subsection or in such Supplemental Indenture, such a consolidated Series shall be treated as a single Series for all purposes of this Indenture.

4. The Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by the Lease Agreement, the City, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by the Lease Agreement, the City, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof other than, as applicable under and limited by the Lease Agreement, the City.

Section 202. General Provisions for Issuance of Bonds. 1. All of the Bonds of each Series, including the Series 2024 Bonds, shall be executed by the Authority for issuance under this Indenture and shall be delivered to the Trustee. Thereupon the Trustee shall authenticate and shall deliver the Bonds to the Authority or upon its order, but only upon the receipt by the Trustee of:

(a) An opinion of Bond Counsel (dated the date the Bonds of such Series are initially issued and addressed to the Authority, together with a reliance

letter addressed to the Trustee) to the effect that, *inter alia*, except insofar as it may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and the availability of any particular remedy: (i) the Authority has the right and the power under the Act, as amended to the date of such opinion, to enter into this Indenture; this Indenture has been duly and lawfully executed and delivered by the Authority, is in full force and effect, is valid and binding upon the Authority and is enforceable in accordance with its terms and no other authorization for the execution and delivery of this Indenture is required; (ii) this Indenture creates the valid pledge that it purports to create on the Pledged Property; and (iii) the Bonds of such Series are valid, binding, special and limited obligations of the Authority as provided in this Indenture, enforceable in accordance with their terms and the terms of this Indenture and entitled to the benefits of this Indenture and of the Act, as amended to the date of such opinion, and such Bonds have been duly and validly authorized and issued in accordance with applicable law, including the Act as amended to the date of such opinion, and in accordance with this Indenture;

(b) A written order as to the delivery of such Series of Bonds signed by an Authorized Authority Representative, which order shall: (i) direct the application of the proceeds of such Series of Bonds; and (ii) set forth the maturity schedule for said Series of Bonds and the interest rate or rates payable with respect thereto;

(c) A copy, duly certified by an Authorized Authority Representative, of the Bond Resolution authorizing *inter alia*, the execution of this Indenture (or any Supplemental Indenture), the Lease Agreement (and any amendment or supplement thereto), and the bond purchase contract with the Underwriter;

(d) A fully executed copy of this Indenture (or any supplement or amendment thereto);

(e) A fully executed copy of the Lease Agreement (or any supplement or amendment thereto);

(f) A certified copy of the Lease Ordinance (and any supplement or amendment thereto) and the Continuing Disclosure Agreement, along with duly certified copies of the authorization proceedings related thereto;

(g) A fully executed copy of the contract of purchase, private placement agreement or other similar instrument prepared in connection with the competitive or negotiated sale of such Series of Bonds executed by and between the Authority and the Underwriter of such Bonds;

(h) An executed copy of Form 8038-G as required by Section 149(e) of the Code with respect to any Series of Tax-Exempt Obligations;

(i) Except in the case of the Series 2024 Bonds, a certificate of an Authorized Authority Representative stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Indenture;

(j) An Opinion of Counsel to the City (dated the date the Bonds are initially issued) to the effect that the Lease Agreement (or any amendment or supplement thereto) has been duly and validly authorized, is in full force and effect on the date of issuance of the Bonds and is enforceable against the City in accordance with its terms, provided that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws and equitable principles affecting creditors' rights generally and that no opinion is being rendered as to the availability of any particular remedy; and

(k) Such further documents, moneys and securities as are required by the provisions of Sections 203, 205 or 703 or Article XI or any Supplemental Indenture entered into pursuant to Article XI hereof.

2. All of the Bonds of each Series of like maturity shall be identical in all respects, except as to such further name designation incorporated in the title for the Bonds of each Series, denominations, maturity date, interest rates, numbers and letters. After the original issuance of the Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII hereof and as described in Section 1106 hereof.

Section 203. The Series 2024 Bonds. 1. The Series 2024 Bonds shall be issued, authenticated and delivered to finance the Costs of the 2024 Project.

2. Pursuant to the provisions of this Indenture, the Series 2024 Bonds are entitled to the benefit, protection and security of the provisions hereof and are hereby authorized to be issued in an aggregate principal amount of $_____. The Series 2024 Bonds shall be designated as and shall be distinguished from the Bonds of all other Series by the title "City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2024".

3. The Series 2024 Bonds shall be issued to finance the Costs of the 2024 Project.

4. The Series 2024 Bonds are hereby authorized to be issued and secured hereunder and shall bear interest payable semiannually on June 1 and December 1 of each year, commencing on June 1, 2025, at the rates per annum set forth below and shall mature on December 1 (subject to prior redemption as provided in Article III) of each year in the years and in the principal amounts as follows:

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Year December 1	Principal Amount	Interest Rate	Year December 1	Principal Amount	Interest Rate
2025	$	%	2035	$	%
2026			2036		
2027			2037		
2028			2038		
2029			2039		
2030			2040		
2031			2041		
2032			2042		
2033			2043		
2034			2044		

5. The Series 2024 Bonds shall be issued in fully registered, book-entry only form in Authorized Denominations. Unless the Authority shall otherwise direct the Bond Registrar, the Series 2024 Bonds shall be lettered and numbered from one upward in order of maturities preceded by the letter "R," and/or such other letter or letters as determined by the Trustee, prefixed to the number. Subject to the provisions of this Indenture, the form of the Series 2024 Bonds and the Trustee's certificate of authentication shall be substantially in the form set forth in Sections 1301 and 1302, respectively, hereof.

6. The principal of the Series 2024 Bonds shall be payable, upon presentation and surrender thereof, at the principal corporate trust office of the Paying Agent for the Series 2024 Bonds. The principal or Redemption Price of the Series 2024 Bonds shall also be payable on the applicable Principal Installment Date at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by this Indenture. Interest on the Series 2024 Bonds shall be payable by check of the Trustee, mailed or transmitted, on each applicable Interest Payment Date or the maturity date, as the case may be, to the Registered Owners thereof as the same appear as of the Record Date on the books of the Authority maintained by the Trustee; provided, however, that a Registered Owner of $1,000,000 or more in principal amount of the Series 2024 Bonds shall be entitled, upon three (3) Business Days' written notice to the Trustee in advance of the applicable Record Date, to receive interest payments by wire transfer of immediately available funds.

7. The proceeds of the Series 2024 Bonds shall be paid to the Trustee and applied in accordance with an order of the Authority simultaneously with the delivery thereof as follows:

(a) an amount equal to $_____ for the payment of the costs of issuance related to the issuance and sale of the Series 2024 Bonds, including the Initial Authority Financing Fee, shall be deposited in the Operating Fund and paid in accordance with Section 505(2) hereof;

(b) an amount equal to $_____ for the payment of the municipal bond insurance premium to the Insurer, as insurer for the Series 2024 Bonds;

(c) the balance of the proceeds of the Series 2024 Bonds in the amount of $_____ shall be deposited into the Construction Fund, which Fund is created and established pursuant to Section 502(1) hereof.

Section 204. Book-Entry System.

(a) With respect to the Series 2024 Bonds and each other Series of Bonds for which the authorizing resolution so provides, except as provided in subsection (c) of this Section 204, the registered Holder of all of the Bonds shall be, and the Bonds shall be registered in the name of, Cede & Co. ("Cede"), as nominee of DTC. With respect to all Bonds for which Cede shall be the registered Holder, payment of semiannual interest on such Bonds shall be made by wire transfer of same day funds to the account of Cede on the Interest Payment Dates for the Bonds at the address indicated for Cede in the registration books of the Authority kept by the Bond Registrar.

(b) The Bonds shall be initially issued in the form of a separate fully registered bond in the amount of each separate serial or term maturity of each Series of Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books of the Authority kept by the Bond Registrar in the name of Cede, as nominee of DTC. With respect to Bonds so registered in the name of Cede, the Authority and the Trustee shall have no obligation or responsibility to any DTC participant, indirect DTC participant or any beneficial owner of the Bonds. Without limiting the generality of the foregoing, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant or indirect DTC participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any DTC participant, indirect DTC participant, beneficial owner or any other Person, other than DTC or Cede, of any notice with respect to such Bonds, or (iii) the payment to any DTC participant, indirect DTC participant, beneficial owner or any other Person, other than DTC or Cede, of any amount with respect to the principal of, redemption premium, if any, or interest on such Bonds. The Authority and the Trustee may treat as, and deem DTC to be, the absolute registered Holder of each such Bond for the purpose of (i) payment of the principal of, redemption premium, if any, and interest on each such Bond, (ii) giving notices with respect to such Bonds, (iii) registering transfers with respect to the Bonds and (iv) for all other purposes whatsoever. The Trustee shall pay the principal of, redemption premium, if any, and interest on such Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to such principal of, redemption premium, if any, and interest to the extent of the sum or sums so paid. No Person other than DTC shall receive a Bond certificate evidencing the obligation of the Authority to make payments of principal thereof, redemption premium, if any, and interest thereon pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer

provisions hereof, the word "Cede" in this Indenture shall refer to such new nominee of DTC.

(c) (1) DTC may determine to discontinue providing its services with respect to any Series of Bonds at any time by giving written notice to the Authority and discharging its responsibilities with respect thereto under applicable law. Upon receipt of such notice, the Authority shall promptly deliver a copy of same to the Trustee.

(2) The Authority, (i) in its sole discretion and without the consent of any other Person, may terminate the services of DTC with respect to any Series of Bonds, and (ii) shall terminate the services of DTC with respect to such Bonds upon receipt by the Authority and the Trustee of written notice from DTC to the effect that DTC has received written notice from DTC participants or indirect DTC participants having interests, as shown in the records of DTC, of not less than fifty percent (50%) of the aggregate principal amount of the then Outstanding Bonds so registered in the name of Cede to the effect, that (A) DTC is unable to discharge its responsibilities with respect to such Bonds; or (B) a continuation of the requirement that all such Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, is not in the best interest of the beneficial owners of such Bonds.

(3) Upon the termination of the services of DTC with respect to all or any portion of such Bonds pursuant to subsection (c)(2)(i) or (c)(2)(ii)(A) hereof, or upon the discontinuance or termination of the services of DTC with respect to all or any portion of such Bonds pursuant to subsection (c)(1) or subsection (c)(2)(ii)(B) hereof, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, such Bonds (or the applicable portion thereof) shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging such Bonds, as the case may be, shall designate, in accordance with the provisions of this Indenture. Upon the determination by any party authorized herein that such Bonds (or any portion thereof) shall no longer be limited to book-entry form, the Authority shall immediately advise the Trustee, in writing, of the procedures for transfer of such Bonds from such book-entry form to a fully registered form.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Series of Bonds is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal of, redemption premium, if any, and interest on, and all notices with respect to, such Bonds shall be made and given, respectively, to DTC as provided in the

Letter of Representations of the Authority and the Trustee, addressed to DTC, with respect to such Bonds.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture by the Authority or the Trustee with respect to any consent or other action to be taken by Bondholders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

Section 205. Refunding Bonds. 1. With the consent of the City, one or more Series of Refunding Bonds may be authorized and delivered upon original issuance to refund all or any portion (as determined by the Authority) of the callable maturities of any portion of any Outstanding Bonds or any Series thereof, including one or more maturities within such Series of Bonds, upon compliance with the terms and conditions set forth in subsection 2 of this Section 205 and in Section 202 hereof.

2. Prior to or simultaneously with the delivery of each such Series of Refunding Bonds pursuant to subsection 1 of this Section 205, the Trustee shall receive, in addition to the items required by Section 202 hereof:

(a) a certified copy of the ordinance or resolution of the City consenting to the issuance of such Series of Refunding Bonds and pledging the full faith and credit of the City to the punctual payment of the Lease Payment obligations incurred with respect to the issuance of such Series of Refunding Bonds;

(b) irrevocable written instructions to the Trustee, satisfactory to it, to give due notice of redemption of all or any portion of the Outstanding Bonds (or any Series thereof), if any, to be redeemed on a redemption date specified in such instructions;

(c) if the Bonds to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, irrevocable written instructions to the Trustee, satisfactory to it, to make due provision for the notice provided for in Section 405 to the Holders of such Bonds being refunded, except in the case where any Series of Bonds is not by its terms subject to redemption;

(d) either: (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the those Bonds, if any, to be refunded and redeemed or the principal amount of those Bonds, if any, to be refunded and paid at maturity, together with accrued interest on such Bonds to be refunded to the redemption or maturity date, which moneys shall be held by the Trustee, or any one or more of the Paying Agents, in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded; or (ii) Investment Securities in such

principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to comply with the provisions of subsection 2 of Section 1201, and any moneys required pursuant to said subsection 2, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2 and including a verification report to the same effect;

(e) executed copies of amendments to the Lease Agreement certified to as being in full force and effect by an Authorized Authority Representative and an Authorized City Representative; and

3. The proceeds, including accrued interest, of the Refunding Bonds of such Series shall be applied simultaneously with the delivery of such Refunding Bonds, as provided in the Supplemental Indenture authorizing such Refunding Bonds.

Section 206. Determination of Interest Payable. The Bonds shall bear interest from the most recent Interest Payment Date next preceding the date of such Bonds to which interest has been paid, unless the date of such Bond is an Interest Payment Date, in which case interest shall be payable from such date, or unless the date of such Bond is prior to the first Interest Payment Date of the Bonds, in which case interest shall be payable from the dated date of the Bonds, or unless the date of such Bond is between a Record Date, and the next succeeding interest payment date, in which case from such interest payment date.

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ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 301. Obligation of Bonds; Medium of Payment; Form and Date.

1. The Bonds shall be special and limited obligations of the Authority payable, with respect to principal or Redemption Price and interest, solely from Revenues and secured by the Pledged Property, which under the Act and this Indenture may be used for the payment of principal or Redemption Price of and interest on the Bonds.

2. The Bonds shall be payable with respect to principal and interest in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

3. All Bonds of each Series shall be issued in the form of fully registered Bonds. The Bonds of each Series shall be substantially in the form required by Article XIII hereof or substantially in the form set forth in the Supplemental Indenture authorizing such Series.

4. Each Bond shall be lettered and numbered as provided in this Indenture or the Supplemental Indenture authorizing the Series of which such Bond is a part so as to be distinguished from every other Bond.

5. The Series 2024 Bonds upon original issuance shall be dated as provided in this Indenture. Refunding Bonds shall be dated as provided in a Supplemental Indenture. Principal of the Bonds shall be payable at maturity upon presentation and surrender thereof at the office of the Paying Agent. Bonds shall bear interest as provided herein or in the Supplemental Indenture authorizing such Series of Bonds, payable by check, except as provided in Section 204 hereof, to Registered Owners of such Bonds as of the Record Date provided for such Bonds at their addresses on file with the Trustee who shall be designated the Bond Registrar hereunder. After original issuance, all Bonds exchanged or transferred shall bear an authentication date that shall be the date authenticated. Interest on Bonds shall accrue from the Interest Payment Date to which interest has been paid next preceding the authentication date unless: (i) the date of authentication is also an Interest Payment Date to which interest has been paid, in which event such Bonds shall be dated and shall bear interest from the date of authentication; or (ii) the date of authentication is prior to the first Interest Payment Date, in which event such Bonds shall bear interest from the original dated date of such Bonds; provided however that if, as shown on the records of the Trustee, interest on the Bonds of any Series shall be in default, Bonds of such Series issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered.

Section 302. Legends. The Bonds of each Series may contain or may have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture or a Supplemental Indenture as may be necessary or desirable to comply with the custom or rules of any securities exchange or commission or brokerage board or otherwise as may be determined by the Authority prior to the authentication and the delivery thereof.

Section 303. Execution of Bonds. The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chairman or Vice Chairman and its corporate seal shall be thereunto affixed, imprinted or otherwise reproduced and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority. In the event 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 or by the Bond Registrar, such Bonds nevertheless may be authenticated and delivered as herein provided as if the Person who so signed, sealed or attested such Bonds had not ceased to be such officer. Any Bond of a Series may be signed, sealed or attested on behalf of the Authority by any Person who shall hold the proper office at the date of such act, notwithstanding at the date of such Bonds such Person may not have held such office.

Section 304. Authentication of Bonds. The Bonds of each Series shall bear thereon a certificate of authentication, substantially in the form set forth in Section 1302 hereof, duly executed upon issuance by the Trustee or the Bond Registrar. Only such Bonds as shall bear thereon such certificate of authentication, duly executed, shall be entitled to any right or benefit under this Indenture. 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 Bond Registrar, as the case may be. Such certificate of authentication by the Trustee or by the Bond Registrar, as the case may be, upon any Bond executed on behalf of the Authority shall be conclusive and the only evidence that the Bond so authenticated has been duly authenticated and delivered under this Indenture and that the Holder thereof is entitled to the benefit of this Indenture.

Section 305. Transfer, Exchange and Registry of Bonds and Agency Therefor. 1. The Authority shall cause and hereby appoints the Bond Registrar as its agent to maintain and to keep books for the registration, the exchange and the transfer of Bonds. Upon presentation of Bonds for transfer or exchange at the designated office of the Bond Registrar, together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Holder or by his attorney duly authorized in writing, the Bond Registrar shall register or shall cause to be registered and shall permit to be transferred thereon or to be exchanged any Bond entitled to registration, transfer or exchange. Upon the transfer or exchange of any Bond, the Authority shall execute, and the Trustee or the Bond Registrar shall authenticate and shall deliver a new Bond or Bonds of such Series in any Authorized Denomination registered in the name of the Holder or transferee of the same aggregate principal amount, Series designation and maturity as the surrendered Bond.

2. The Authority and each Fiduciary may deem and treat the Person in whose name any Bond shall be registered upon the books of the Authority as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on such Bond and all such payments so made to any such Registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary. The Authority agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without

gross negligence or willful misconduct under this Indenture, in so treating such Registered Owner.

3. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Bond Registrar and canceled or retained by the Bond Registrar. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the Authority nor the Bond Registrar shall be required: (i) to exchange or transfer the Bonds of any Series for a period beginning on the Record Date next preceding an Interest Payment Date for Bonds of a particular Series and ending on such Interest Payment Date, or for a period of fifteen (15) days next preceding the date (as determined by the Trustee) of any selection of Bonds to be redeemed and thereafter until after the mailing of the notice of redemption; or (ii) to transfer or exchange any Bonds called for redemption.

Section 306. Reissuance of Mutilated, Destroyed, Stolen or Lost Bonds. In case any Outstanding Bond shall be mutilated, destroyed, stolen or lost, the Authority shall execute and the Trustee or the Bond Registrar, as the case may be, shall authenticate and shall deliver a new Bond, of like tenor, number, Series designation and amount as the Bond so mutilated, destroyed, stolen or lost in exchange and in substitution for and upon surrender of such mutilated Bond or in lieu of and in substitution for the Bond, if any, destroyed, stolen or lost upon filing with the Trustee and the Bond Registrar evidence satisfactory to the Authority, the Trustee and the Bond Registrar that such Bond had been destroyed, stolen or lost and proof of ownership thereof, upon furnishing the Authority, the Trustee and the Bond Registrar with indemnity satisfactory to them, upon paying such expenses as the Authority, the Trustee and the Bond Registrar may incur in connection therewith and upon complying with such other reasonable regulations as the Authority, the Trustee and the Bond Registrar may prescribe. In lieu of reissuing a mutilated, destroyed, lost or stolen Bond that is due and payable, the Trustee and the Bond Registrar may pay the amount due on such Bond to the Owner or the Holder thereof, provided all the other requirements of this Section 306 have been met. Any Bond surrendered for transfer shall be canceled by the Trustee. Any such new Bonds issued pursuant to this Section 306 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Indenture, in any moneys or securities held by the Authority or any Fiduciary for the benefit of the Bondholders.

Section 307. Temporary Bonds. Until the definitive Bonds are prepared, the Authority may execute in the same manner as is provided in Section 303 hereof and, upon the request of the Authority, the Trustee or Bond Registrar shall authenticate and shall deliver in lieu of definitive Bonds but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the denominations thereof and as to exchangeability for registered Bonds, one or more temporary Bonds of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in Authorized Denominations and with such omissions, insertions and variations as may be appropriate to temporary Bonds for notation thereon of the payment of such interest. The Authority at its own expense shall prepare and shall execute and, upon the surrender for exchange and for cancellation of such temporary Bonds, the Trustee or the

Bond Registrar shall authenticate and shall deliver in exchange therefor definitive Bonds of the Authority without charge to the Holder thereof.

Section 308. Payment of Interest on Bonds; Interest Rights Preserved. 1. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Bond is registered at the close of business on the Record Date or any date which is the fifteenth (15th) day next preceding an Interest Payment Date as shall be provided in a Supplemental Indenture authorizing any Series of Bonds.

2. Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (hereinafter **"Default Interest"**) shall forthwith cease to be payable to the Registered Owner on the relevant Record Date by virtue of having been such Owner; and such Default Interest shall be paid by the Authority to the Persons in whose names the Bonds are registered at the close of business on a date (hereinafter the **"Special Record Date"**) for the payment of such Default Interest, which shall be fixed in the following manner. The Authority shall notify the Trustee, in writing, of the amount of Default Interest proposed to be paid on each Bond and the date of the proposed payment (**"Default Interest Payment Date"**) (which date shall be not less than twenty-five (25) days after such notice), and at the same time the Authority shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Default Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Default Interest herein provided. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Default Interest, which Special Record Date shall be not more than fifteen (15) nor less than ten (10) days prior to the Default Interest Payment Date, and which Special Record Date shall be fixed by the Trustee within ten (10) days after the receipt by the Trustee of the notice of the proposed payment from the Authority. The Trustee shall promptly notify the Authority of such Special Record Date and Default Interest Payment Date and, in the name and at the expense of the Authority, shall cause notice of the proposed payment of such Default Interest and the Special Record Date and Default Interest Payment Date therefor to be mailed, first class postage prepaid, to each Bondholder at his address as it appears in the registry books, not less than ten (10) days prior to such Special Record Date.

Subject to the foregoing provisions of this Section 308, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

Section 309. Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment is made, and such Bonds shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Trustee.

ARTICLE IV

REDEMPTION OF BONDS

Section 401. Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to this Indenture or a Supplemental Indenture shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms, in addition to the terms contained in this Article IV, as may be specified in the Supplemental Indenture authorizing such Refunding Bonds. The written consent of the City to effectuate a redemption of any Series of Bonds shall be received by the Authority prior to the redemption of a particular Series of Bond, except for the redemption of Bonds pursuant to mandatory sinking fund redemption. A copy of such written consent of the City shall be received by the Trustee prior to the mailing of the notice of redemption in accordance with Section 405 hereof. Except as may be otherwise provided in a Supplemental Indenture authorizing a Series of Refunding Bonds, any Series of Bonds may be redeemed in whole or in part on any date by the Authority, at the written direction of the City, in accordance with this Indenture or a Supplemental Indenture, as applicable.

Section 402. Redemption at the Election or Direction of the Authority. In the case of any redemption of Bonds (including any Series thereof) by the Authority, at the written direction of the City, the Authority shall give written notice to the Trustee of the election or direction of the City to so redeem, except for the redemption of Bonds pursuant to mandatory sinking fund redemption, in accordance herewith, of the redemption date, of the Series, and of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by the Authority, upon the written consent of the City, subject to any limitations with respect thereto contained in this Indenture). Such notice shall be given at least sixty (60) days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 405 provided, there shall be paid on or prior to the redemption date to the appropriate Paying Agents an amount in cash or noncallable Investment Securities which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued thereon and unpaid to the redemption date, all of the Bonds to be so redeemed. The Authority shall promptly notify the Trustee, in writing, of all such payments by it to such Paying Agents.

Section 403. Redemption Otherwise Than at the Authority's Election or Direction. Whenever by the terms of this Indenture the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the Authority, provided that if such redemption is required to be consented to, in writing, by the City, such written consent has been delivered to the Trustee, the Trustee shall: (i) select the Bonds or portions of Bonds to be redeemed; (ii) give the notice of redemption; and (iii) pay out of moneys available therefor the Redemption Price thereof, plus interest accrued thereon and unpaid to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article IV.

Section 404. Selection of Bonds to be Redeemed. Unless otherwise provided in this Indenture, if less than all of the Bonds of a Series of like maturity shall be called for prior redemption, the particular Bonds or portions of Bonds of a Series to be redeemed shall

be selected at random by the Trustee; provided, however, that the portion of any Bond of a Series of a denomination of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or a multiple thereof, and that, in selecting portions of such Bonds of a Series for redemption, the Trustee shall treat each such Bond of a Series as representing that number of Bonds of such Series of $5,000 denomination which is obtained by dividing by $5,000 the principal amount of such Bond of the Series to be redeemed in part.

Section 405. Notice of Redemption. When the Trustee shall receive notice from the Authority of the election or direction of the City to redeem Bonds pursuant to Section 402 hereof, except for the redemption of Bonds pursuant to mandatory sinking fund redemption, and when redemption of Bonds is authorized or required pursuant to Section 403 hereof and the Trustee shall have received written notice from the City of its consent to the redemption of the Bonds, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall specify the Series designation and maturities of the Bonds to be redeemed, the Redemption Price, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal amount thereof in the case of Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the Registered Owners of any Bonds or portions of Bonds which are to be redeemed, at their last addresses appearing upon the registry books. Failure to give notice by mail, or any defect in the notice to the Registered Owner of any Bonds which are to be redeemed, shall not affect the validity of the proceedings for the redemption of any other Bonds.

Any notice of redemption of the Bonds may state that it is conditioned upon there being available on the redemption date an amount of money sufficient to pay the Redemption Price, together with interest accrued and unpaid to the redemption date, and any conditional notice so given may be rescinded at any time to and including the redemption date if such condition so specified is not satisfied. If a redemption does not occur after a conditional notice is given due to an insufficient amount of funds being on deposit with the Paying Agent to pay the Redemption Price on the redemption date, the corresponding conditional notice of redemption shall be deemed to have been revoked *nunc pro tunc* and shall be deemed to be null and void as if never given and such Bonds or portions thereof shall continue to bear interest until paid at maturity at the same rate as they would have borne had they not been called for redemption.

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

Section 406. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 405 hereof, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the

Redemption Price, plus interest accrued thereon and unpaid to the redemption date and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued thereon and unpaid to the redemption date. If there shall be called for redemption less than all of a Bond of like Series, the Authority shall execute and the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Bonds so surrendered, fully registered Bonds of like Series and maturity in any Authorized Denominations.

If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest thereon to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date and if a notice of redemption shall have been given as aforesaid, then from and after the redemption date interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such notice of redemption shall be rescinded by the Trustee, and shall be deemed to be null and void as if never given and such Bonds or portions thereof shall continue to bear interest until paid at maturity at the same rate as they would have borne had they not been called for redemption.

Section 407. Redemption of Series 2024 Bonds.

(a) Optional Redemption. The Series 2024 Bonds maturing prior to December 1, 20__ are not subject to optional redemption prior to maturity. The Series 2024 Bonds maturing on or after December 1, 20__ are subject to redemption prior to maturity at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the City in accordance with the terms of the Lease Agreement, on or after December 1, 20__ in whole or in part at any time, and, if in part, in such order of maturity as the City may direct and, within a maturity, by lot (or other customary method of selection determined by the Trustee), at a Redemption Price equal to one hundred percent (100%) of the principal amount of Series 2024 Bonds to be redeemed, plus accrued interest to the redemption date.

[(b) Mandatory Sinking Fund Redemption. The Series 2024 Bonds maturing on December 1, 20__ are subject to scheduled mandatory sinking fund redemption by the Authority on December 1 in the years and in the amounts set forth below at a redemption price equal to 100% of the principal amount thereof, plus accrued to the redemption date:

Redemption Date (December 1)	Principal Amount to be Redeemed $
*	

*Final Maturity

The Series 2024 Bonds maturing on December 1, 20__ are subject to scheduled mandatory sinking fund redemption by the Authority on December 1 in the years and in the amounts set forth below at a redemption price equal to 100% of the principal amount thereof, plus accrued to the redemption date:

Redemption Date (December 1)	Principal Amount to be Redeemed $
*	

*Final Maturity

The Series 2024 Bonds maturing on December 1, 20__ are subject to scheduled mandatory sinking fund redemption by the Authority on December 1 in the years and in the amounts set forth below at a redemption price equal to 100% of the principal amount thereof, plus accrued to the redemption date:

Redemption Date (December 1)	Principal Amount to be Redeemed $
*	

*Final Maturity]

(c) Credits against Scheduled Mandatory Redemption Obligations. At the option of the Authority with the consent of the City, to be exercised by delivery of a Certificate to the Trustee on or before the 45th day next preceding any scheduled mandatory redemption date, if any, it may: (i) deliver to the Trustee for cancellation Bonds subject to scheduled mandatory redemption on that date or portions thereof in Authorized Denominations; or (ii) specify a principal amount of Bonds or portions thereof in Authorized Denominations which prior to said date have been purchased or redeemed (otherwise than pursuant to this Section) and cancelled by the Trustee at the request of the Authority with the consent of the City and not theretofore applied as a credit against any scheduled mandatory redemption payment. Each Bond or portion thereof so delivered or previously redeemed shall be credited by the Trustee at the principal amount thereof against the obligation of the Authority to redeem Bonds on the scheduled mandatory redemption date or dates designated in writing to the Trustee by the Authorized Authority Representative occurring at least 45 days after the delivery of such designation to the Trustee, provided that if no such designation is made, such credit shall not be credited against such obligation.

ARTICLE V

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 501. The Pledge Effected by This Indenture and Security for the Bonds. 1. There is hereby pledged and assigned as security for the payment of the principal of, redemption premium, if any, and interest on the Bonds issued in anticipation thereof in accordance with their terms and the provisions of this Indenture, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture, all of the Pledged Property.

2. All Pledged Property shall immediately be subject to the lien of the pledge made herein for the benefit of the Bondholders without any physical delivery thereof or further act, or any filing, and the lien of this 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.

3. The Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by the Lease Agreement, the City, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by the Lease Agreement, the City, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof other than, as applicable under and limited by the Lease Agreement, the City. Neither the State nor any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by the Lease Agreement, the City, is obligated to pay the principal of and interest on the Bonds and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof other than, as applicable under and limited by the Lease Agreement, the City, is pledged to the payment of the principal of and interest on the Bonds, but all Bonds shall be payable solely from Revenues or funds pledged or available for their payment, including any funds available under the Lease Agreement, as authorized in the Act.

4. The Authority hereby assigns its right to receive all Revenues, including all amounts to be received by the Authority from the City under the Lease Agreement (except for Additional Lease Payments), to the Trustee for the benefit of the Bondholders and covenants and directs the City, pursuant to the Lease Agreement, to pay all such Lease Payment amounts (except for Additional Lease Payments) directly to the Trustee.

5. Nothing contained in this Section 501 shall be deemed a limitation upon the authority of the Authority to issue bonds, notes or other obligations under the Act secured by revenues and funds other than the Pledged Property including, without limitation, bonds, notes or other obligations secured by Federal or State grants.

Section 502. Establishment of Funds. The following Funds are hereby created and established:

(1) Construction Fund, including Accounts established therein to be held by the Trustee, on behalf of the Authority;

(2) Revenue Fund, including Accounts established therein to be held by the Trustee, on behalf of the Authority;

(3) Operating Fund, including Accounts established therein to be held by the Trustee, on behalf of the Authority;

(4) Proceeds Fund, including Accounts established therein to be held by the Trustee, on behalf of the Authority;

(5) Debt Service Fund, including Accounts established therein for the Series 2024 Bonds and for any other Series of Refunding Bonds, to be held by the Trustee;

(6) Debt Retirement Fund, including Accounts established therein for the Series 2024 Bonds and for any other Series of Refunding Bonds, to be held by the Trustee; and

(7) Rebate Fund, including Accounts established therein for each Series of the Series 2024 Bonds and for any other Series of Refunding Bonds, to be held by the Trustee, on behalf of the Authority.

The Trustee may designate for each Fund or Account established hereunder such number, letter or symbol as may be necessary to distinguish such Funds or Accounts from other Funds and Accounts of the Authority held by the Trustee for any Series of Bonds.

Section 503. Construction Fund. 1. There shall be established within the Construction Fund a separate Account for the Series 2024 Bonds and the 2024 Construction Project.

2. There shall be paid into such Account: (i) the amounts required to be so paid by the provisions of this Indenture or applicable Supplemental Indenture, including any proceeds from the issuance of the Series 2024 Bonds in accordance with Section 203(7)(b) hereof; (ii) any Proceeds received with respect to the 2024 Construction Project pursuant to Sections 7.06 and 7.07 of the Lease Agreement; (iii) amounts received from the City pursuant to Section 4.11 of the Lease Agreement and subsection six (6) of this Section 503; and (iv) at the option of the Authority at the written direction of the City, any moneys received by the Authority or the City for, or in connection with, the 2024 Construction Project from any other source, unless required to be otherwise applied in accordance with this Indenture including, but not limited to, funds received by the City from the American Rescue Plan Act of 2021 and appropriated by the City to the 2024 Project. All amounts in the Construction Fund shall be applied in the following order and priority: (i) to pay the Costs of the 2024 Construction Project or an Additional Project, or to reimburse the City for any Costs of the 2024 Construction Project or an Additional Project paid by it in accordance with a reimbursement resolution adopted by the

City or the Authority; and (ii) to the extent not otherwise utilized, moneys in the Construction Fund shall be transferred to the Debt Service Fund and applied by the Trustee in accordance with subsection (4) of this Section 503.

3. The Authority shall authorize the Trustee to make payments from the Construction Fund for the Cost of the 2024 Construction Project or an Additional Project in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this subsection (3). Before any such payment shall be made, there shall be filed by the Authority with the Trustee: a requisition therefor, which requisition shall be substantially in the form set forth in Exhibit B to the Lease Agreement, signed by an Authorized Authority Representative and approved by an Authorized City Representative (which approval shall not be unreasonably withheld), stating in respect of each payment to be made: (i) the requisition number; (ii) that such payment is to be made from the Construction Fund; (iii) the name and address of the Person to whom payment is to be made by the Trustee, or if payment is to be made to the Authority for a reimbursable advance, the name and address of the Person to whom such advance was made together with proof of payment by the Authority; (iv) the amount to be paid, which amount represents the payment due to the Person referenced in clause (iii) above, or 100% of the payment previously made by the Authority; (v) the particular item of Cost to be paid to which the requisition relates; (vi) that each obligation, item of Cost or expense mentioned therein has been properly incurred, is an item of Cost of the 2024 Construction Project, is unpaid or unreimbursed, and is a proper charge against the Construction Fund and has not been the basis of any previously paid withdrawal or requisition; (vii) that the public contracts bidding laws applicable to the contract pursuant to which payment is being requested have been complied with, if any; (viii) if such payment is a reimbursement to the City or the Authority for Costs or expenses incurred by reason of work performed or supervised by officers or employees of the Authority or the City, that the amount to be paid does not exceed the actual cost thereof to the City or Authority; (ix) that no uncured Event of Default has occurred under the Lease Agreement (as defined under Section 8.01 thereof) or under this Indenture and everything then required to be performed by the City has been performed; (x) neither the City nor the Authority has received notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under such requisition to any of the Persons named therein or, if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of the requisition; and (xi) in the event there are not sufficient funds available to pay such requisition from the maturity of any Investment Securities, instructions specifying the Investment Security or Securities which should be liquidated for the payment thereof. The Trustee shall issue its check for each payment required by such requisition or shall by interbank transfer or other method, arrange to make the payment required by such requisition. The Trustee shall have no obligations hereunder and may rely on the requisition if properly signed.

4. The completion of the 2024 Construction Project or any Additional Project by the Authority shall be evidenced by a certificate or certificates signed by an Authorized Authority Representative, and acknowledged by an Authorized City Representative (such acknowledgement not to be unreasonably withheld), which shall be in substantially the form set forth in Exhibit C to the Lease Agreement, and which shall be delivered and filed with the Trustee and the City, stating: (i) that such 2024 Construction Project or Additional Project is complete or has been substantially completed; (ii) the date of completion of the 2024 Construction Project or Additional Project; (iii) the Cost of all labor, services, materials and

supplies used in the 2024 Construction Project or Additional Project have been paid or will be paid from amounts retained by the Trustee, at the Authority's or the City's direction, for any Cost of the 2024 Construction Project and the amount, if any, required, in the opinion of the signer or signers, for the payment of any remaining part of the Cost of the 2024 Construction Project or Additional Project or any portion thereof, not then due and payable or, if due and payable, not yet paid; (iv) the 2024 Construction Project or Additional Project is an authorized "project" under the Act; and (v) all permits, including a Certificate of Occupancy, if required, necessary for the utilization of the 2024 Construction Project or Additional Project have been obtained and are in effect. Upon the filing of such Completion Certificate, the balance in the Construction Fund in excess of the amount, if any, stated in such Completion Certificate shall be transferred by the Trustee for deposit at the written direction of an Authorized Authority Representative (a copy of which Completion Certificate shall also be provided by the Authority to the City), in either: (i) the Debt Retirement Fund for application to the retirement of Series 2024 Bonds or applicable series of Refunding Bonds by purchase or redemption; or (ii) the Debt Service Fund. If, subsequent to the filing of such certificate, it shall be determined that any amounts specified in such certificate as being required for the payment of any remaining part of the Cost of the 2024 Construction Project are no longer so required, such fact shall be evidenced by a certificate or certificates signed by an Authorized Authority Representative delivered and filed with the Trustee and the City stating such fact and the amount no longer required to be paid, and any amount shown therein as no longer being required shall be transferred to the Trustee for application as provided in the preceding sentence. Notwithstanding the foregoing, such Completion Certificate 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.

5. Any damages or other moneys from any contractor, subcontractor, manufacturer, supplier or any party to any contract for the 2024 Construction Project or its surety due and owing to the Authority pursuant to Section 4.10 of the Lease Agreement shall be paid to the Trustee for deposit in the Construction Fund (in accordance with written instructions from the Authority) to complete the 2024 Construction Project. Any such moneys not necessary to complete the 2024 Construction Project or not so applied, as stated in a certificate executed by an Authorized Authority Representative delivered to the Trustee, shall be transferred by the Trustee to the Proceeds Fund and applied as a credit toward the City's Lease Payment obligations with respect to the Series 2024 Bonds on the next succeeding Lease Payment Date, in accordance with Section 507(2) and (3) hereof.

6. (a) In the event the Cost to complete the 2024 Construction Project shall exceed the amount available to the Authority from the portion of the proceeds of the Series 2024 Bonds allocable thereto and in the event the City desires to undertake such remaining portions of the 2024 Construction Project, pursuant to Section 4.11 of the Lease Agreement, the City shall be obligated to pay, as additional payments under Section 5.02(B)(ii) of the Lease Agreement, such sums as may be required to pay the Cost of the 2024 Construction Project in excess of the amount available to the Authority from the portion of the proceeds of the Series 2024 Bonds allocable thereto out of funds legally available therefor. Payment of such additional amounts shall be made by the City at the time or times and in the amount or amounts required for the payment of such excess Cost as the same becomes due and payable. Such additional moneys shall be paid by the City to the Trustee for deposit in the Construction Fund and the Trustee shall pay the Cost thereof in accordance with the procedures outlined in Section 4.03 of the Lease Agreement and subsection (3) of this Section 503.

(b) In the event the City pays to the Trustee sums needed to fund the balance of the Cost of the 2024 Construction Project in accordance with the provisions of Section 4.11(A) of the Lease Agreement, the City shall complete Exhibit E attached to the Lease Agreement to reflect: (i) the amount of moneys to be withdrawn from the Construction Fund to pay the Cost of the 2024 Construction Project; (ii) the amount of money forwarded to the Trustee by the City for deposit in the Construction Fund to make up the deficiency in such Cost of the 2024 Construction Project; and (iii) the total Cost of the item being requisitioned, which certificate shall be signed by an Authorized City Representative and approved by an Authorized Authority Representative (which approval shall not be unreasonably withheld) and delivered and filed with the Trustee.

7. Prior to the completion of the 2024 Construction Project, the Trustee shall, upon receipt of a requisition signed by an Authorized City Representative, advance moneys on deposit in the Construction Fund to provide for working capital. The Trustee shall advance such moneys only to the extent that such moneys are not needed to make payment on requisitions for the 2024 Construction Project within the following one hundred twenty (120) days and there are no other funds available to the City for working capital as certified by an Authorized City Representative. Repayment by the City to the Trustee for each such advance is due no later than one hundred twenty (120) days from the date of such advance and the Trustee shall deposit the City's repayment of any such advance in the Construction Fund.

Section 504. Revenue Fund. Except as set forth in Sections 505 and 603 hereof, all Revenues shall be promptly deposited by the Trustee upon receipt thereof into the Revenue Fund and shall be applied as set forth in Section 506 hereof. All moneys at any time deposited in the Revenue Fund shall be held in trust for the benefit of the Holders but shall nevertheless be disbursed and applied solely for the uses and purposes set forth in this Article V.

Section 505. Operating Fund. 1. Pursuant to an order of the Authority simultaneously delivered to the Trustee on the Issue Date of the Series 2024 Bonds, any proceeds of the Series 2024 Bonds and City moneys, as the case may be, representing costs of issuance and the Initial Authority Financing Fee shall be immediately deposited in the Operating Fund. Such amounts shall be paid by the Trustee in accordance with subsection (2) of this Section 505.

2. Amounts deposited in the Operating Fund shall be paid out by the Trustee pursuant to written direction of the Authority and the City from time to time for costs of issuance and Authority Administrative Expenses, including expenses incurred by the Authority to perform an arbitrage rebate calculation upon requisition therefor submitted to the Trustee and signed by an Authorized Authority Representative stating: (i) the name of the Person 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 amount 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. To the extent such amounts deposited therein are not spent within ninety (90) days of the Issue Date of the Series 2024 Bonds and any other Series of Refunding Bonds, the Trustee shall, without further direction, deposit in the applicable Account of the Debt Service Fund for such Series of Bonds any balance then remaining for such Series of Bonds unless the City requests, in

writing (with a copy to the Authority), that such balance remain in the Operating Fund for an additional period of time as specified in such request.

3. Amounts paid by the City as Additional Lease Payments for the performance of an arbitrage rebate calculation pursuant to Section 6.14 of the Lease Agreement and payment of, among other expenses, the annual Authority Administrative Expenses shall be paid to the Trustee and the Trustee shall deposit the same in the Operating Fund. Such amounts shall be paid by the Trustee to the Authority in accordance with subsection (2) of this Section 505.

Section 506. Payments From the Revenue Fund Into Certain Funds. 1. As soon as practicable after the deposit of Revenues into the Revenue Fund, but in any case no later than 3:00 p.m. on the first Business Day immediately following a Lease Payment Date or after the deposit of any Revenues in the Revenue Fund payable by the City upon demand pursuant to Sections 5.02(A) and (B) of the Lease Agreement, respectively, the Trustee shall credit, but only to the extent the amount in the Revenue Fund shall be sufficient therefor, such Revenues as follows: (i) Revenues representing Lease Payments made by the City pursuant to Section 5.02(A) of the Lease Agreement, the amount of such payment being in accordance with Exhibit A attached to the Lease Agreement, shall be deposited in the Debt Service Fund in accordance with Section 508 hereof or, in the case of any purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established, to the Debt Retirement Fund; (ii) Revenues representing moneys received by the Trustee pursuant to the provisions of Section 6.06(C) of the Lease Agreement shall immediately be deposited in the Debt Service Fund and applied in accordance with the provisions of Section 508 hereof; (iii) Revenues representing Additional Lease Payments made by the City pursuant to Section 5.02(B) of the Lease Agreement including the annual Authority Administrative Expenses shall immediately be deposited in the Operating Fund and applied in accordance with the provisions of Section 505(3) hereof; (iv) Revenues representing amounts received from the City from the conveyance or exchange of facilities and/or equipment constituting part of the 2024 Construction Project previously acquired with the proceeds of the Series 2024 Bonds and applied pursuant to Section 6.06(C) of the Lease Agreement shall immediately be deposited in the Debt Service Fund and applied in accordance with the provisions of Section 508 hereof; and (v) any investment earnings on any moneys held in any Fund and required to be transferred to the Revenue Fund pursuant to the provisions of this Indenture, such that the total balance in the Debt Service Fund shall equal the Debt Service Requirement on each such Series of Bonds for the next respective succeeding Interest Payment Date and Principal Installment Date, as applicable, provided that, for the purposes of computing the amount to be deposited in said Fund, there shall be included in the balance of the Debt Service Fund that amount of such proceeds to be applied in accordance with this Indenture to the payment of interest accrued and unpaid and to accrue on such Series of Bonds to the next Interest Payment Date as set forth in an order of the Authority to the Trustee; provided, however, that so long as there shall be held in the Debt Service Fund an amount sufficient and available to pay in full all Outstanding Bonds of a particular Series in accordance with their terms (including principal thereof and interest thereon) no transfers shall be required to be made from the Revenue Fund to the Debt Service Fund.

2. Revenues consisting of proceeds representing damages or other moneys from any contractor, subcontractor, manufacturer, supplier or surety shall be immediately credited in accordance with Sections 503(5) and 507(2) hereof.

3. All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any losses suffered) earned or any gain realized on any moneys or investments in such Funds shall be transferred upon receipt to the Revenue Fund, except that: (i) such net interest earned on any moneys or investments in the Debt Service Fund shall be held in such Fund for the purposes thereof and shall be paid into such Fund in accordance with the provisions of Section 603(2) hereof and shall be applied in accordance with the provisions hereof; and (ii) interest earned on any moneys or investments in the Construction Fund shall be held in the Construction Fund until delivery of a Completion Certificate for the 2024 Construction Project or any Additional Project as required by Section 503(4) of this Indenture at which time such moneys shall be applied in accordance with Section 603(2) hereof.

Section 507. Proceeds Fund. 1. Revenues paid to the Trustee pursuant to Section 4.10 of the Lease Agreement and Section 503(5) hereof and not necessary to complete the 2024 Construction Project or an Additional Project or not so applied shall be transferred by the Trustee, upon receipt of a certificate of an Authorized City Representative delivered to the Trustee stating the amount of money to be so transferred, from the Construction Fund to the Proceeds Fund and applied as a credit toward the City's Lease Payment obligations pursuant to subsections (2) and (3) below.

2. Proceeds representing damages or other moneys from any performance bond or surety provided pursuant to Section 4.10 of the Lease Agreement and deposited in the Construction Fund in accordance with Section 503(5) hereof and not necessary to complete the 2024 Construction Project or an Additional Project or not otherwise applied to complete the 2024 Construction Project or an Additional Project shall be transferred by the Trustee to the Proceeds Fund. Proceeds on deposit in the Proceeds Fund resulting from such deposits shall be applied by the Trustee as a credit toward the amount of Lease Payments owed by the City on each Lease Payment Date for the payment of Debt Service on the applicable Series of Bonds by the transfer of such proceeds to the Debt Service Fund as set forth in a certificate of an Authorized City Representative filed with the Trustee at the time of the deposit of the proceeds into the Proceeds Fund.

3. To the extent moneys in the Debt Service Fund are sufficient to satisfy the amount of Lease Payments due and owing by the City for a Bond Year, any such proceeds on deposit in the Proceeds Fund, or any other Revenues deposited therein, shall remain in the Proceeds Fund and shall be transferred thereafter into the Debt Service Fund on each Lease Payment Date for the payment of Debt Service on the applicable Series of Bonds until such proceeds or any other Revenues are exhausted. The application of such proceeds or any other Revenues deposited therein in accordance herewith shall be credited toward the Lease Payments due and owing from the City in any Bond Year. Any such proceeds or any other Revenues deposited in the Proceeds Fund shall be invested, subject to such yield restrictions as shall be directed to the Trustee, in writing, by an Authorized Authority Representative, upon written direction of an Authorized City Representative, in consultation with Bond Counsel.

Section 508. Debt Service Fund. 1. Pursuant to Section 506(1)(a) hereof, Revenues representing Lease Payments from the City deposited in the Revenue Fund on any Lease Payment Date shall be transferred to and deposited in the Debt Service Fund not later than 3:00 p.m. on the first Business Day thereafter by the Trustee. Not later than 3:00 p.m. on the

first Business Day after any Lease Payment Date, the Trustee shall determine whether the amounts on deposit in the Debt Service Fund, after all Revenues representing Lease Payments from the City originally deposited in the Revenue Fund and transferred to and deposited in the Debt Service Fund in accordance with the provisions hereof, are sufficient to meet the Debt Service Requirements on all Outstanding Bonds for the next succeeding Interest Payment Date and Principal Installment Date, as applicable. Subject to, and after the application of the provisions of Section 509 hereof, in the event such amounts in the Debt Service Fund are insufficient to meet such Debt Service Requirement on the Outstanding Bonds, the Trustee shall give written notice thereof, by facsimile transmission in accordance with Section 1214 hereof, to the Authority and the Authorized City Representative of such deficiency no later than 4:00 p.m. on the first Business Day after such Lease Payment Date, which notice shall state the amount of such deficiency as at the close of business on any Lease Payment Date and that such deficiency must be cured no later than the next ensuing Interest Payment Date and Principal Installment Date, as applicable. The notice to the Authorized City Representative and the Authority shall also include the amount of the Interest Payment and Principal Installment, as applicable, due and payable and the amount required to be paid by the City to cure such deficiency and to enable the Trustee to make a Debt Service payment on the Outstanding Bonds on the next ensuing Interest Payment Date or Principal Installment Date, as applicable. The receipt of any such notice by the Authorized City Representative shall be acknowledged by the Authorized City Representative to the Trustee within one (1) Business Day after receipt thereof. If the nonpayment of the City is not cured by the applicable Interest Payment Date or Principal Installment Date, as applicable, the City, pursuant to its general obligation *ad valorem* pledge, shall pay to the Trustee, not later than such Interest Payment Date and Principal Installment Date, as applicable, any and all amounts required to pay Debt Service on the Outstanding Bonds.

2. (i) On each Interest Payment Date, the Trustee shall make available to the Paying Agent from moneys available in the Debt Service Fund an amount which equals the interest on each Series of Outstanding Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such interest on the Interest Payment Date; and (ii) on the Principal Installment Date of each Series of Outstanding Bonds, the Trustee shall make available to the Paying Agent from moneys in the Debt Service Fund an amount equal to the principal of each Series of Outstanding Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such principal on the Principal Installment Date. The Trustee may also pay out of the Debt Service Fund the accrued interest included in the purchase price of each Series of Outstanding Bonds, pursuant to the provisions of subsection (3) below.

3. The amount, if any, deposited in the Debt Service Fund representing accrued interest, if any, on the proceeds of any Series of Bonds, shall be set aside in such Fund and applied, in accordance with written instructions of the Authority delivered to the Trustee prior to the authentication of such Series of Bonds, to the payment of accrued interest on such Series of Bonds as the same becomes due and payable.

4. In the event of the refunding of any Bonds, the Trustee shall, if an Authorized Authority Representative so directs, in writing, withdraw from the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Series of Bonds being refunded, and set aside such amounts to be held in trust as set forth in such written direction; provided that such withdrawal shall not be made unless: (i) immediately thereafter the Series of Bonds being refunded shall be deemed to have been paid pursuant to

Section 1201(2) hereof; and (ii) the amount remaining in the Debt Service Fund, after giving effect to the issuance of the Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund pursuant to subsection (2) of this Section 508 with respect to the Debt Service Requirement on each Outstanding Series of Bonds and Section 506 hereof.

5. Revenues representing moneys received by the Trustee pursuant to the provisions of Section 6.06 of the Lease Agreement and deposited in the Debt Service Fund shall immediately be applied to the payment of Debt Service on the applicable Series of Bonds on the next ensuing Interest Payment Date or Principal Installment Date, as applicable. To the extent such moneys cannot be used to pay Debt Service on such Series of Bonds within thirteen (13) months of deposit, such moneys shall be transferred to the Proceeds Fund and applied in accordance with the provisions of Section 507(3) hereof.

Section 509. Debt Retirement Fund. 1. Subject to the limitations contained in subsection (4) of this Section 509, if, on any Lease Payment Date prior to any Interest Payment Date or Principal Installment due date, as the case may be, the amount on deposit in the Debt Service Fund shall be less than the amount required to be in such Fund pursuant to subsection (1) of Section 506, the Trustee shall transfer from the Debt Retirement Fund to the Debt Service Fund an amount (or all of the moneys in the Debt Retirement Fund if less than the amount required) which will be sufficient to make up such deficiency.

2. To the extent not required to make up a deficiency as required in subsection (1) of this Section 509, amounts in the Debt Retirement Fund shall be applied, as rapidly as practicable in the case of mandatory redemption, or, at the written direction of an Authorized City Representative, to the purchase or optional redemption (including redemption premium, if any) of the applicable Series of Bonds.

3. Upon any purchase or redemption pursuant to this Section 509 of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established or delivery to the Trustee for cancellation by the Authority of Bonds of such Series or maturity, there shall be credited toward each such Sinking Fund Installment thereafter to become due an amount bearing the same ratio to such Sinking Fund Installment as the total principal amount of such Bonds so purchased, redeemed, or delivered for cancellation bears to the total amount of all such Sinking Fund Installments to be credited. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

4. The transfers required by subsection (1) of this Section 509 shall be made from amounts in the Debt Retirement Fund only to the extent that such amounts are not then required to be applied to the redemption of Bonds of such Series for which notice of redemption shall have been given by the Trustee to Bondholders.

Section 510. Satisfaction of Sinking Fund Installments. 1. In satisfaction, in whole or in part, of any Sinking Fund Installment, the Authority may deliver to the Trustee at least sixty (60) days prior to the date of such Sinking Fund Installment, for cancellation, Bonds

of the Series and maturity entitled to such Sinking Fund Installment. All Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate Redemption Price of such Bonds applicable on the date of such Sinking Fund Installment (or the principal amount thereof if such date be the date of maturity of such Bonds), provided that concurrently with such delivery of such Bonds the Authority shall deliver to the Paying Agent and to the Trustee a certificate of an Authorized Authority Representative specifying: (i) the principal amount, Series, maturity, interest rate and numbers of the Bonds so delivered; (ii) the date of the Sinking Fund Installment in satisfaction of which such Bonds are so delivered; (iii) the aggregate Redemption Price on the date of such Sinking Fund Installment (or the principal amount in the case of any Series of Bonds which mature on such Sinking Fund Installment date) of any Bonds so delivered; and (iv) the unsatisfied balance of such Sinking Fund Installment after giving effect to the delivery of such Bonds.

2. The Trustee shall, upon receipt of the notice required and in the manner provided in Article IV hereof, call for redemption on the date of each Sinking Fund Installment falling due prior to maturity such principal amount of Bonds of the Series and maturity entitled to such Sinking Fund Installment as is required to exhaust the unsatisfied balance of such Sinking Fund Installment.

Section 511. Application of Moneys in the Rebate Fund. 1. The Authority shall determine or shall cause to be determined the amounts necessary to equal the rebate requirement and shall cause the City to deposit such amount in the Rebate Fund and the Authority shall transfer or cause to be transferred by the Trustee at such times and to such Person as required by Section 148 of the Code an amount equal to the rebate requirement from the Rebate Fund. To the extent such amounts on deposit in the Rebate Fund are not sufficient to meet the rebate requirement, amounts shall be immediately paid by the City to the Trustee for deposit in the Rebate Fund.

Notwithstanding anything contained in this Indenture to the contrary, neither the Authority nor the Trustee shall be responsible or liable for any loss, liability, or expense incurred to the extent incurred as a result of the failure of the City to fulfill its obligations with respect to the calculation and payment of the rebate requirement.

2. The Trustee, as directed by an Authorized Authority Representative, shall apply or cause to be applied the amounts in the Rebate Fund at the times and in the amounts required by Section 148 of the Code solely for the purpose of paying the United States in accordance with Section 148 of the Code.

3. Moneys held in the Rebate Fund shall be invested and reinvested by the Trustee in Investment Securities defined in clauses b(1) and b(2) of such definition, as shall be directed by an Authorized Authority Representative, upon written direction of the City, that mature not later than such times as shall be necessary to provide moneys when needed for the payments to be made from such Fund. The interest earned on any moneys or investments in the Rebate Fund shall be retained in such Fund.

4. Pursuant to the provisions of Section 603(4) hereof, investment earnings from the Revenue Fund and Operating Fund may be deposited in the Rebate Fund upon written

direction of an Authorized Authority Representative, upon written direction of the City, to the Trustee.

Section 512. Moneys Remaining in Funds and Accounts; Reimbursement of Fiduciary and Authority. Except as set forth in Section 1202 hereof with respect to unclaimed funds, upon the final maturity of any Series of Bonds issued hereunder, any moneys remaining in the Funds and Accounts held under this Indenture for such Series of Bonds shall be paid to each such Fiduciary (to the extent each such Fiduciary has incurred expenses which remain unpaid or unreimbursed, as the case may be) and the Authority (to the extent the Authority has incurred Authority Administrative Expenses which remain unpaid or unreimbursed, as the case may be), by the Trustee, free and clear of the lien and pledge of this Indenture, to the extent required to reimburse such Fiduciary for such expenses and, thereafter, the balance therein (but not including unclaimed funds resulting from defeased bonds of any Series) shall be paid and shall belong to the City free and clear of the lien and pledge of this Indenture.

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ARTICLE VI

DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 601. Depositories. 1. All moneys deposited under the provisions of this Indenture with the Trustee shall constitute trust funds and shall be held in trust and applied only in accordance with the provisions of this Indenture, and each of the Funds and Accounts established by this Indenture shall be a trust fund for the purpose thereof held for the benefit of the Authority and the City, as applicable. The Authority may deposit such moneys with the Trustee in trust for the Authority and the City.

2. Any Fiduciary shall be a bank or trust company organized under the laws of the State or any other state or a national banking association having capital stock, surplus and undivided earnings of $100,000,000 or more and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of this Indenture. No moneys shall be deposited with any Fiduciary in any amount exceeding fifteen percent (15%) of the amount which an officer of such Fiduciary shall certify to the Authority as to the capital stock and surplus of such Fiduciary.

Section 602. Deposits. 1. All Revenues and moneys held by the Trustee or a Fiduciary under this Indenture may be placed on demand or time deposit, if and as directed by the Authority, provided that such deposits shall permit the moneys so held to be available for use at the time when needed. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. All moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Authority and acceptable to such Fiduciary, on time deposit, provided that such moneys on deposit be available for use at the time when needed.

2. All moneys held under this Indenture by the Trustee or any Fiduciary shall be: (i) either (a) continuously and fully insured by the Federal Deposit Insurance Corporation, or (b) continuously and fully secured by lodging with the Trustee or any Federal Reserve Bank, as custodian, as collateral security, such securities as are described in clauses b(1) and (2) of the definition of "Investment Securities" in Section 101 hereof, having a market value at the time of deposit (exclusive of accrued interest) not less than the amount of such moneys; or (ii) secured in such other manner as may then be required by applicable Federal or State laws and regulations and applicable state laws and regulations of the state in which the Trustee or such Fiduciary (as the case may be) is located, regarding security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Fiduciaries to give security under this subsection (2) for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of and interest on any Series of Bonds, or to give security for any moneys which shall be represented by Investment Securities purchased as an investment of such moneys.

3. All moneys deposited with the Trustee shall be credited to the particular Fund or Account to which such moneys belong and, except as provided with respect to the investment of moneys in Investment Securities in Section 603 hereof, the moneys credited to

each particular Fund or Account shall be kept separate and apart from, and not commingled with, any moneys credited to any other Fund or Account or any other moneys deposited with the Trustee.

Section 603. Investment of Certain Funds. 1. Moneys held in the Revenue Fund or the Debt Service Fund shall be invested and reinvested by the Trustee to the fullest extent practicable in its money market fund as defined in clause b(2) or b(7) of the definition of "Investment Securities" in Section 101 hereof, which Investment Securities shall mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in: (i) the Construction Fund; (ii) the Debt Retirement Fund; (iii) the Proceeds Fund; and (iv) the Operating Fund may be invested and reinvested in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys held in the Rebate Fund, if any, shall be invested and reinvested in accordance with the written instructions received from any Authorized Authority Representative, upon the written direction of the City. The Trustee shall make all such investments of moneys held by it in accordance with written instructions from time to time received from any Authorized Authority Representative, upon the written direction of the City. In making any investment in any Investment Securities with moneys in any Fund established under this Indenture, the Authority, upon the written direction of the City, may instruct the Trustee, in writing, to combine such moneys in any other Fund, if permitted hereunder, but solely for purposes of making such investment in such Investment Securities.

2. All interest (net of that which represents a return of accrued interest paid in connection with the purchase of any investment and net of any losses suffered) earned or any gain realized on any moneys or investments in such Funds shall be transferred upon receipt to the Revenue Fund and applied in accordance with the provisions of Section 506(3) hereof, except that such net interest earned on any moneys or investments in the Debt Service Fund shall be held in such Fund for the purposes thereof and shall be paid into the Debt Service Fund on a periodic basis at least quarterly or as otherwise shall be directed by the Authority, upon the written direction of the City, and applied pursuant to Section 508 hereof. The Trustee shall annually notify the City and the Authority, in writing, of such application of such interest and earnings transferred to the Revenue Fund. Interest earned on any moneys or investments in the Construction Fund shall be held therein until the delivery of a Completion Certificate by an Authorized City Representative as required by Section 503(4) of this Indenture at which time such moneys shall be applied in accordance with the provisions of the Completion Certificate.

3. In the absence of written investment direction from an Authorized Authority Representative, the Trustee may invest moneys which the Authority has failed to direct in money market funds as defined in clauses b(2) and (6) of the definition of "Investment Securities" in Section 101 hereof customarily invested in by the Trustee.

4. Notwithstanding anything herein to the contrary, the Authority, upon the written direction of the City, may direct the Trustee to deposit earnings from the Revenue Fund and the Operating Fund into the Rebate Fund to pay any amounts required to be set aside for rebate to the Internal Revenue Service pursuant to the Code.

5. Nothing in this Indenture shall prevent any Investment Securities acquired as investments of or security for funds held under this Indenture from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

6. Nothing in this Indenture shall preclude the Trustee from investing or reinvesting moneys through its bond department; provided, however, that the Authority, upon the written direction of the City, may, in its discretion, direct that such moneys be invested or reinvested in a manner other than through such bond department.

Section 604. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any Fund or Account created under the provisions of this Indenture shall be deemed at all times to be a part of such Fund or Account and any profit realized from the liquidation of such investment shall be credited to such Fund or Account, and any loss resulting from the liquidation of such investment shall be charged to the respective Fund or Account.

In computing the amount in any Fund or Account created under the provisions of this Indenture for any purpose provided in this Indenture, obligations purchased as an investment of moneys therein shall be valued at the lesser of cost or market value thereof. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such valuation shall be determined on a monthly basis on the basis of monthly statements produced by the Trustee.

Except as otherwise provided in this Indenture, the Trustee shall sell at the best price reasonably obtainable or present for redemption or transfer as provided in the next sentence any obligation so purchased as an investment whenever either shall be requested, in writing, by an Authorized Authority Representative to do so or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund or Account held by it. In lieu of such sale or presentment for redemption, the Trustee may, in making the payment or transfer from any Fund or Account mentioned in the preceding sentence, transfer such investment obligations or coupons for interest appertaining thereto if such investment obligations or coupons shall mature or be collectable at or prior to the time the proceeds thereof shall be needed.

Neither the Authority nor the Trustee shall be liable or responsible for any loss resulting from any such investment, sale or presentation for investment made in the manner provided herein.

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ARTICLE VII

LEASE OF FACILITY TO THE CITY

Section 701. Terms and Conditions for Lease. The Authority shall lease the Facility to the City and shall enter into the Lease Agreement with the City in the manner, on the terms and conditions and upon submission of the documents required by this Article VII.

Section 702. Form of Lease Agreement. The Lease Agreement shall be in such form as an Authorized Authority Representative approves, as conclusively evidenced by the execution thereof by an Authorized Authority Representative, provided, however, that the Lease Agreement shall in any event conform in all material respects to the provisions of this Indenture.

Section 703. Delivery of Documents in Connection With the Lease Agreement. Prior to or at the execution and delivery of the Lease Agreement with the City and the closing of a Series of Bonds, the Authority and the Trustee shall have received the following documents:

(i) an opinion of the City Solicitor and/or City Bond Counsel to the effect that the Lease Agreement was duly authorized by the City and is a direct and general obligation of the City, payable, unless paid from some other source, from the levy of *ad valorem* taxes upon all taxable real property within the jurisdiction of the City, without limitation as to rate or amount and was duly authorized by the City and is a valid and binding contractual obligation of the City;

(ii) a counterpart of the Lease Agreement executed by the City;

(iii) certified copies of the Lease Ordinance and the authorization proceedings for its adoption by the City;

(iv) such other certificates, documents, opinions and information as the Authority and Bond Counsel may reasonably require in connection with the execution, delivery and implementation of the Lease Agreement and the issuance of such Series of Bonds.

All opinions and certificates required under this Section 703 shall be Issue Date of such Series of Bonds and such opinions shall be addressed to the party or parties specified in the bond purchase contract executed by the Authority and the underwriter in connection with the sale and award of such Series of Bonds.

Section 704. Default Under the Lease Agreement. The Trustee shall, by 4:00 p.m. on the first Business Day after a Lease Payment Date, immediately notify the Authority and the Authorized City Representative of the Trustee's failure to receive a Lease Payment from the City and of any other event of default under the Lease Agreement known to the Trustee pursuant to the terms hereof.

Notwithstanding the above, the failure of the Trustee to receive any Lease Payment from the City on any Lease Payment Date shall not cause an Event of Default for the purposes of Article IX of this Indenture or the acceleration of any of the Bonds then Outstanding.

In the event of a default in the Lease Payment due and owing to the Authority by the City under the Lease Agreement, the City shall be unconditionally obligated to pay such sum of money due and owing to the Trustee pursuant to its *ad valorem* pledge so as not to cause an Event of Default under Section 901(i) or (ii) hereof and an acceleration of the Bonds.

Section 705. Termination of the Lease Agreement. Upon the payment in full by the City of all amounts due under the Lease Agreement, the Trustee shall, at the written direction of the Authority, undertake such actions as shall be required to effectuate the termination provisions of the Lease Agreement including, without limitation, the execution of all relevant documents in connection with such actions.

Section 706. Files. After the execution and delivery of the Lease Agreement, the Trustee shall retain all the documents received by it pursuant to this Article VII in connection therewith in a file pertaining to the Lease Agreement, to which file the Trustee shall from time to time add all records and other documents pertaining to Lease Payments and other amounts received by the Trustee under the Lease Agreement and all communications from or received by the Trustee with respect to the Lease Agreement and the City. Such file shall be kept at the principal corporate trust office of the Trustee and shall be available for inspection by the Authority and the City at reasonable times and under reasonable circumstances.

Section 707. Insufficiency of or Failure to Make Lease Payments. (a) The Lease Agreement shall provide that the City shall pay on each Lease Payment Date during the Bond Year, Lease Payments which, together with other moneys on deposit in the Debt Service Fund, will equal the Debt Service Requirement on the Outstanding Bonds on the next succeeding Interest Payment Date or Principal Installment Date, as applicable, during each Bond Year. The Lease Payments due under the Lease Agreement shall be on deposit in the Revenue Fund not later than the Lease Payment Date.

(b) In accordance with Section 508 hereof and subject to and after application of the provisions of Section 509 hereof, in the event the City has failed to make a Lease Payment on any Lease Payment Date so that the amounts so received by the Trustee and on deposit in the Debt Service Fund are insufficient to meet the Debt Service Requirement on the Outstanding Bonds due on the next ensuing Interest Payment Date or Principal Installment Date, as applicable, the Trustee shall notify the Authority and the Authorized City Representative, in writing by facsimile transmission in accordance with Section 1214 hereof, of such deficiency in accordance with the provisions of Section 508(2) hereof. Notwithstanding the above, failure of the Trustee to give the notices required hereunder and under Sections 508(2) and 704 hereof or any defect in the notice to the City shall not relieve the City of its obligations under the Lease Agreement.

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ARTICLE VIII

PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees with the Trustee and the Bondholders as follows:

Section 801. Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid, but solely from the Pledged Property, the principal or Redemption Price of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof.

Section 802. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to any payment out of Revenues or Funds established by this Indenture, including the investment thereof, pledged under this Indenture or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to this Indenture) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue Refunding Bonds pursuant to Section 205 hereof and such issuance shall not be deemed to constitute an extension of maturity of the Bonds to be refunded.

Section 803. Offices for Servicing Bonds. The Authority shall at all times maintain one or more agencies in the State, and may maintain one or more such agencies in any other state or states, where Bonds may be presented for payment. The Authority hereby appoints the Trustee, as a Bond Registrar, and the Authority shall at all times maintain one or more agencies where Bonds may be presented for registration or transfer and where notices, demands and other documents may be served upon the Authority in respect of the Bonds or of this Indenture, and the Trustee shall continuously maintain or make arrangements to provide such services.

Section 804. Further Assurance. At any and all times the Authority shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and Funds hereby pledged, or intended so to be, or which the Authority may become bound to pledge to the payment of the principal or Redemption Price of and interest on the Bonds, including any Series thereof.

Section 805. Power to Issue Bonds and Pledge Pledged Property. The Authority is duly authorized under all applicable State laws to create and issue the Bonds, to enter into this Indenture with the Trustee and to pledge the Pledged Property purported to be

subjected to the lien of this Indenture in the manner and to the extent provided in this Indenture. Except to the extent otherwise provided in this Indenture, the Pledged Property so pledged is and will be free and clear of any other pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and assignment created by this Indenture, and all action on the part of the Authority to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be the valid and legally binding special and limited obligations of the Authority. The Authority shall at all times, to the extent permitted by State law, defend, preserve and protect the pledge of the Pledged Property under this Indenture and all the rights of the Bondholders under this Indenture against all claims and demands of all Persons whomsoever.

Section 806. Creation of Liens. The Authority shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a pledge or assignment of the Pledged Property held or set aside by the Authority or by Fiduciaries under this Indenture, and shall not create or cause to be created any lien or charge on the Pledged Property; provided, however, that nothing contained in this Indenture shall prevent the Authority from issuing, if and to the extent permitted by law, evidences of indebtedness payable out of or secured by a pledge and assignment of the Pledged Property on and after such date as the pledge of the Pledged Property provided in this Indenture shall be discharged and satisfied as provided in Article XIII hereof.

Section 807. Accounts and Reports. 1. The Authority shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in accordance with generally accepted accounting principles in which complete and correct entries shall be made of its transactions relating to the amount of Revenues and the application thereof, the expenditure of moneys for the 2024 Construction Project and each Additional Project and each Fund or Account established under this Indenture. All books and papers of the Authority shall, subject to the terms thereof, at all times, upon prior reasonable written notice to the Authority, during regular business hours, be subject to the inspection of the Trustee and the Holders of an aggregate of not less than five percent (5%) in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

2. The Trustee or any Fiduciary shall advise the Authority as soon as practicable after the end of each Month of the respective transactions during such Month relating to each Fund or Account held by it under this Indenture.

3. The Authority shall cause its books and accounts, including annual balance sheets and statements of income and surplus, to be audited annually by an accountant within two hundred and seventy (270) days after the close of its Fiscal Year, and, if requested by the Trustee, to file or cause to be filed with the Trustee, and otherwise as provided by law, a copy of the reports of such audits, including statements in reasonable detail of the status of all funds held by the Trustee pursuant to this Indenture and the security therefor and of the Revenues collected. If requested by the Trustee, the Authority shall also provide an Accountant's Certificate stating whether or not, to the best of the knowledge and belief of the signer, the Authority is in default with respect to any of the covenants, agreements or conditions on its part contained in this Indenture, and if so, the nature of such default.

4. The Authority shall file or cause to be filed with the Trustee forthwith upon becoming aware of any Event of Default or default in the performance by the Authority of any covenant, agreement or condition contained in this Indenture, a certificate signed by an

Authorized Authority Representative specifying such Event of Default or default and the nature and status thereof.

5. The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of this Indenture shall be available for the inspection of the Bondholders at the principal corporate trust office of the Trustee, who shall file a written request therefor with the Authority. The Authority may charge or cause to be charged each Bondholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

Section 808. Payment of Taxes and Charges. The Authority will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of the Authority or upon the rights, revenues, income, receipts and other moneys, securities and funds of the Authority when the same shall become due (including all rights, moneys and other property transferred, assigned or pledged under this Indenture), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which the Authority shall in good faith contest by proper legal proceedings if the Authority shall in all such cases have set aside on its books reserves deemed adequate with respect thereto.

Section 809. The Lease Agreement. The Authority shall collect or cause to be collected and forthwith cause to be deposited in the Revenue Fund held by the Trustee all amounts, if any, payable to it by the City pursuant to the Lease Agreement. Upon written request of the Trustee, the Authority shall provide the Trustee with copies of all requests for annual Authority Administrative Expenses under the Lease Agreement. The Authority shall enforce or cause to be enforced all of the provisions of the Lease Agreement. The Authority will not consent or agree to or permit any amendment, change or modification to the Lease Agreement except in accordance with the provisions of Section 815 hereof. Copies of the Lease Agreement certified by an Authorized Authority Representative shall be filed with the Trustee, and copies of any such amendment thereto certified by an Authorized Authority Representative shall be filed with the Trustee.

Section 810. Power to Determine and Collect Lease Payments. The Authority has, and will have as long as any Series of Bonds are Outstanding hereunder, good right and lawful power to establish and collect or cause to be established and collected the Lease Payments from the City.

Section 811. Lease Payments. Prior to the execution of the Lease Agreement, and in each and every Fiscal Year during which any Series of Bonds are Outstanding, the Authority shall at all times establish and collect or cause to be established and collected Lease Payments from the City, as shall be required to provide Revenues at least sufficient, together with other available funds, for the payment of the sum of:

(a) an amount equal to the Debt Service on each Series of the Outstanding Bonds for such Fiscal Year; and

(b) all other charges or liens whatsoever payable out of Revenues during such Fiscal Year.

Section 812. Acquisition of the 2024 Construction Project or Additional Projects and its Operation and Maintenance. 1. The Authority shall acquire, construct and/or install the 2024 Construction Project or any Additional Project with due diligence and in a sound and economical manner.

2. The Authority shall at all times cause the City to use the Facility or any Additional Project, to properly and in an efficient and economical manner, consistent with good business practices, and shall maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals thereto.

Section 813. Maintenance of Insurance. 1. The Authority shall at all times cause the City (for the benefit of the Authority) to maintain such insurance as shall be required by the respective provisions of the Lease Agreement.

2. The Authority shall also maintain any additional or other insurance which it shall deem necessary or advisable to protect its interests and those of the Bondholders.

3. Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing.

4. Upon written request of the Trustee, the Authority shall file or shall cause the City to file with the Trustee annually, within one hundred twenty (120) days after the close of each calendar year, certificates of Authorized Authority Representatives and/or Authorized City Representatives, as the case may be, setting forth a description in reasonable detail of the insurances then in effect with respect to the applicable components of the 2024 Construction Project or any Additional Project and certifying that the Authority and/or the City, as the case may be, has complied in all respects with their respective requirements pursuant to this Section 813.

Section 814. Application of Insurance Proceeds. The Proceeds of any insurance, including the proceeds of any condemnation award paid on account of any damage or destruction to the 2024 Construction Project or any Additional Project, or any portion thereof (other than any business interruption loss insurance) shall be applied as set forth in Sections 7.05, 7.06 and 7.07 of the Lease Agreement and Sections 503(5), 506(2) and 507(2) hereof.

Section 815. Enforcement of Lease Agreement; Amendments. The Authority shall enforce the provisions of the Lease Agreement and shall duly perform its covenants and agreements thereunder, as applicable, for the benefit of the Trustee and the Bondholders. The Lease Agreement may not be amended, changed, modified, altered or terminated so as to adversely affect the interests of the Holders of any Outstanding Bonds without the prior written consent of: (i) the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding; or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modifications or amendments, the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds of each Series so affected then Outstanding; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain

Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section 815; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any payment required to be made under the Lease Agreement or extend the time of payment thereof. The Lease Agreement may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds at any time for any reason prior to the Issue Date of the Series 2024 Bonds, or after the Issue Date of the Series 2024 Bonds to provide necessary changes in connection with the issuance of Refunding Bonds, to cure any ambiguity therein, to correct or supplement any provisions contained in the Lease Agreement which may be defective or inconsistent with any other provisions contained in the Lease Agreement or to provide other changes which will not adversely affect the interest of such Holders. Subsequent to the execution by the Authority and the City of any amendment to the Lease Agreement, a copy thereof, certified by an Authorized Authority Representative, shall be filed with the Trustee.

Section 816. Additional Covenants With Respect to the Lease Agreement. So long as any Bonds or any Series thereof shall be Outstanding, the Authority will, at all times:

(1) comply with the obligations on the part of the Authority contained in the Lease Agreement (or any amendment thereto) and require the City to comply with its obligation to make Lease Payments thereunder and to pay all other amounts payable under the Lease Agreement (or any amendment thereto) as the same shall become due and payable; and

(2) promptly take all actions or proceedings necessary or required to compel compliance by such other parties to the Lease Agreement (or any amendment thereto) with respect to the obligations contained therein.

Section 817. General. 1. Upon the date of authentication and delivery of any Series of Bonds, all conditions, acts and things required by law and this Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Series of Bonds, shall exist, have happened and have been performed and the issue of such Series of Bonds, together with all other indebtedness of the Authority, shall comply in all respects with the applicable laws of the State.

2. The Authority shall at all times maintain its existence and shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act, this Indenture and the Lease Agreement, including the exercise of its remedies thereunder.

Section 818. Federal Tax Covenants. The Authority hereby covenants not to take or omit to take any action so as to cause interest on any Series of Bonds to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of such Series of Bonds. The Authority further covenants that it will make no investments or other use of the proceeds of any

Series of Bonds which would cause such Series of Bonds to be "arbitrage bonds" (as defined in Section 148 of the Code). The Authority further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable. The Authority further covenants not to cause the Series 2024 Bonds and any additional Series of Bonds to become "private activity bonds" (within the meaning of Section 141 of the Code).

Section 819. Secondary Market Disclosure. The Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Bonds and the Authority will not provide any such information. Further, the Authority shall have no liability to the Holders of the Bonds or any other Person with respect thereto. The Authority has required the City in the Lease Agreement, as an Obligated Person (as defined under the hereinafter defined Rule), to covenant and agree that it will undertake all responsibilities for compliance with secondary market disclosure requirements pursuant to Rule 15c2-12(b) ("Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as described in the Continuing Disclosure Agreement ("Continuing Disclosure Agreement") to be executed by and between the City and Acacia Financial Group, Inc., acting as dissemination agent. Notwithstanding any other provision of this Indenture, the failure of the City to comply with the provisions of the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder and the Beneficial Owners of the Bonds (as defined in the Continuing Disclosure Agreement) may take such actions as set forth in the Continuing Disclosure Agreement as may be necessary and appropriate to cause the City to comply with its obligations set forth in the Continuing Disclosure Agreement.

Section 820. Financing Statements. The Authority hereby authorizes the Trustee to prepare and file such financing statements relating to this Indenture (including, but not limited to, the financing statements with respect to the Series 2024 Bonds) and other documents, and to take such other actions as may be required by law in order to create, perfect and continue the security interest provided for under the State Uniform Commercial Code or other applicable laws of the State or under other state or federal law. The Trustee shall perform or shall cause to be performed any acts, and execute and cause to be executed any and all further instruments as may be required by law or as shall be reasonably requested for the protection of the interests of the Trustee and the Bondholders, and shall furnish satisfactory evidence to the Authority of recording, registering, filing and refiling of such instrument and of every additional instrument which shall be necessary to preserve the lien and security interest of this Indenture upon the Pledged Property or any part thereof until the principal of and interest on the Bonds secured hereby shall have been paid. The Trustee shall file at such time or times and in such place or places as the Trustee may be advised by an opinion of counsel will preserve the lien and security interest of this Indenture upon the Pledged Property or any part thereof until the aforesaid principal and interest shall have been paid.

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ARTICLE IX

REMEDIES OF BONDHOLDERS

Section 901. Events of Default. The following events shall constitute an Event of Default under this Indenture:

(i) if default shall be made by the Authority in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise, as applicable; or

(ii) if default shall be made by the Authority in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor, when and as such interest installment or Sinking Fund Installment shall become due and payable; or

(iii) if default shall be made in the due and punctual payment of the redemption premium of any Bond when and as the same shall become due and payable; or

(iv) the entering of an order or decree appointing a receiver with the consent or acquiescence of the City or the entering of such order or decree without the acquiescence or consent of the City if it shall not be vacated, discharged or stayed within sixty (60) days after its entry; or

(v) a petition is filed by the City under any Federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Indenture or thereafter enacted, unless in the case of a petition filed against the City, such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal or the City shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the City or any of its property shall be appointed by court order or take possession of the City's property or assets, if such order remains in effect or such possession continues for more than thirty (30) days; or

(vi) if default shall be made by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, and such default shall continue for a period of sixty (60) days and the Authority shall have failed to commence to cure such default within such sixty (60) day period after written notice thereof to the Authority by the Trustee or to the Authority

and to the Trustee by the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding; or

(vii) if the Authority shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or shall authorize, apply for or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of its properties and/or its rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable to meet its debts as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing; or

(viii) if a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Authority in an involuntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Authority, of its properties and/or the rents, fees, charges or other revenues therefor, or a decree or order for the dissolution, liquidation or winding up of the Authority and its affairs or a decree or order finding or determining that the Authority is unable to meet its debts as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days;

then, in each and every case so long as such Event of Default shall not have been remedied, unless the principal of all the Bonds shall have already become due and payable upon the occurrence of an Event of Default identified in clauses (i), (ii) and (iii) of this Section 901, either the Trustee may (by notice, in writing, to the Authority), or, upon receipt of direction, in writing, from the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding (by notice, in writing, to the Authority and the Trustee), the Trustee shall, declare the principal of all Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, anything in this Indenture or in any of the Bonds to the contrary notwithstanding. Upon the occurrence of an Event of Default as described in this Section 901(a) and the declaration by the Trustee that the principal of all Bonds then Outstanding, and the interest accrued thereon, have become due and payable immediately, the City shall be obligated to pay such amounts as have become due and payable (as calculated by the Trustee) as Lease Payments to the Trustee and such amount shall be deposited as described in Section 504 hereof.

The right of the Trustee or of the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding to make any such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of interest upon the Bonds, together with the reasonable and proper fees, charges, expenses and liabilities of the Trustee and

all other sums then payable by the Authority and the City under this Indenture (except the principal of, and interest accrued since the next preceding Interest Payment Date on the Bonds due and payable solely by virtue of such declaration) shall either be paid by or for the account of the Authority or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Bonds or under this Indenture (other than the payment of principal and interest due and payable solely by reason of such declaration) shall be made good or be secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, then, and in every such case, the Holders of fifty-one percent (51%) in principal amount of the Bonds Outstanding, by written notice to the Authority and the Trustee, may rescind such declaration and annul such default in its entirety or if the Trustee shall have acted itself, and if there shall not have been theretofore delivered to the Trustee written direction to the contrary by the Holders of fifty-one percent (51%) in principal amount of the Bonds Outstanding, then any such declaration shall *ipso facto* be deemed to be rescinded and any such default shall *ipso facto* be deemed to be annulled, but no such rescission or annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Section 902. Accounting and Examination of Records After Default. 1. The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Authority shall at all times be subject to the inspection and use of the Trustee and of their agents and attorneys.

2. The Authority covenants that if an Event of Default shall have happened and shall not have been remedied, the Authority, upon demand of the Trustee will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds pledged or held under this Indenture for such period as shall be stated in such demand.

Section 903. Application of Pledged Property After Default. 1. The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon the demand of the Trustee, shall pay over or cause to be paid over to the Trustee or its agent in trust: (i) forthwith, all Pledged Property then held by the Authority under this Indenture; and (ii) all Revenues, if any, which are not paid directly to the Trustee as promptly as practicable after receipt thereof.

2. During the continuance of an Event of Default, the Trustee shall apply the Pledged Property, including all moneys, securities, funds and Revenues received by the Trustee pursuant to any right given or action taken under the provisions of this Article IX together with all funds held by the Trustee in any Funds or Accounts under this Indenture as follows and in the following order:

(i) Expenses of Fiduciaries -- to the payment of the reasonable and proper fees (including reasonable attorneys' fees), charges, expenses and liabilities of the Fiduciaries;

(ii) Principal and Interest -- to the payment of the interest and principal then due on the Bonds, as follows:

(a) unless the principal of all of the Bonds shall have become or have been declared due and payable,

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

Second: Principal -- To the payment to the Persons entitled thereto of the unpaid principal of any Bonds which shall have become due in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds of any Series due on any date, then to the payment thereof ratably, according to the amounts of principal due on such date, to the Persons entitled thereto, without any discrimination or preference;

(b) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

3. Whenever all overdue installments of all Bonds, together with the reasonable and proper charges, fees (including reasonable attorneys' fees), expenses and liabilities of the Trustee, and all other sums payable by the Authority under this Indenture, including the principal of and accrued unpaid interest on all Bonds which shall then be payable, by declaration or otherwise shall either be paid by or for the account of the Authority, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under this Indenture or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Authority all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of this Indenture to be deposited or pledged, with the Trustee) and thereupon the Authority and the Trustee shall be restored, respectively, to their former positions and rights under this Indenture. No such payment over to the Authority by the Trustee nor such restoration of the Authority and the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 904. Proceedings Brought by Trustee. 1. If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than fifty-one percent (51%) in principal amount of the Bonds Outstanding so in default shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds so in default under this Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Authority as if the Authority were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Indenture.

2. All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the Bonds so in default or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

3. The Holders of fifty-one percent (51%) in principal amount of the Bonds so in default at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee.

4. Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

5. Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of fifty-one percent (51%) in principal amount of the Bonds so in default then Outstanding and furnished with adequate security and indemnity satisfactory to the Trustee, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Indenture by any acts which may be unlawful or in violation of this Indenture, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

Section 905. Restrictions on Bondholder's Action. 1. No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Holder shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article IX, and the Holders of at least fifty-one percent (51%) in principal amount of the Bonds so in default then Outstanding shall have filed a written request with the Trustee and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or by the Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity satisfactory to the Trustee against the costs, fees (including reasonable attorneys' fees), expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for

a period of thirty (30) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by this Indenture, or to enforce any right under this Indenture, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the equal benefit of all Holders of the Outstanding Bonds, subject only to the provisions of Section 902 hereof.

2. Nothing contained in this Indenture or in the Bonds shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed, the principal of (and redemption premium, if any) and interest on the Bonds to the Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of his Bond.

Section 906. Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or by statute on or after the date of execution and delivery of this Indenture.

Section 907. Effect of Waiver and Other Circumstances. 1. No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article IX to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

2. Prior to the declaration of maturity of the Bonds as provided in Section 901 hereof, the Holders of fifty-one percent (51%) in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds so in default waive any past default under this Indenture and its consequences, except a default in the payment of interest on or principal of or redemption premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 908. Notice of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default of which the Trustee has actual knowledge to each Registered Owner of Bonds so in default then Outstanding at his address, if any, appearing upon the registry books of the Authority. The Trustee shall also give prompt notice of the occurrence of an Event of Default of which the Trustee has actual knowledge to the Authority and the Paying Agent. For purposes of this Section 908, the Trustee will be deemed to have actual knowledge only if an officer of the corporate trust department of the Trustee has actual first-hand knowledge thereof. The Trustee shall be deemed to have actual knowledge of any payment default if the Trustee shall not have received payment on the date on which such payment was due.

Section 909. Notice to Trustee to Exercise Remedies Under the Lease Agreement. The Authority covenants that if an Event of Default under the Lease Agreement

shall occur and be continuing, it will not exercise any of such remedies set forth in the Lease Agreement without written consent of the Trustee thereto, which consent shall not be unreasonably withheld.

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ARTICLE X

CONCERNING THE FIDUCIARIES

Section 1001. Acceptance of Trusts; Certain Duties and Responsibilities. The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the following terms and conditions:

(a) Except during the continuance of an Event of Default,

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent trustee would exercise or use under the circumstances.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) this subsection shall not be construed to limit the effect of subsection (a) of this Section 1001;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture, and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 1001.

Section 1002. Certain Rights of Trustee. Except as otherwise provided in Section 1001 hereof:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Trustee shall be entitled to rely conclusively upon a certificate of Authorized Authority Representative or a certificate of an Authorized City Representative as to the sufficiency of any request or direction of the City or the Authority, as applicable, mentioned herein, the existence or non-existence of any fact or the sufficiency or validity of any instrument, paper or proceeding, or that a resolution in the form therein set forth has been adopted by the City or a resolution of the Authority has been duly adopted, and is in full force and effect.

(c) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon a certificate of Authorized Authority Representative or a certificate of an Authorized City Representative, as applicable.

(d) The Trustee may consult with counsel, and the advice or opinions of such counselor any Opinion of Counsel may be conclusively relied upon by the Trustee and shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon.

(e) Notwithstanding anything elsewhere in this Indenture contained, before taking any action under this Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the payment or reimbursement of all reasonable fees, costs and expenses to which it may be put and to protect it against all liability which it may incur in or by reason of such action, including those arising in connection with any environmental claim and the fees and expenses of attorneys, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct by reason of any action so taken.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Authority or the City, personally or by agent or attorney.

(g) The Trustee assumes no responsibility for the correctness of the recitals contained in this Indenture and in the Bonds, except the certificate of authentication on the Bonds. The Trustee makes no representations to the value or condition of the Pledged Property or any part

thereof, or as to the title thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the Authority or the City of any of the Bonds or the proceeds thereof or of any money paid to or upon the order of the Authority or the City under any provision of this Indenture.

(h) The Trustee or any of its affiliates, in its individual or any other capacity, may become the Owner or pledgee of Bonds and may otherwise deal with the Authority or the City with the same rights it would have if it were not Trustee.

(i) All money received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law or by this Indenture. The Trustee shall be under no liability for interest on any money received by it hereunder except for accounting for earnings on Investment Securities.

(j) The Trustee may execute any of the trusts and powers hereunder or perform any duties hereunder either directly or, to the extent that it may reasonably determine is necessary or appropriate to the conduct of its duties hereunder, by or through agents, attorneys or receivers, and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, attorney or receiver appointed by it with due care hereunder, taking into account the duties with respect to which such Person is appointed, and the Trustee shall not be required to give any bond or surety in respect of the execution, delivery or administration of this Indenture. This subparagraph shall not be interpreted as absolving the Trustee of responsibility with respect to duties customarily performed by corporate trustees in the ordinary course of business without the employment of agents, attorneys or receivers.

(k) The Trustee may elect not to proceed in accordance with the directions of the Owners without incurring any liability to the Owners if in the opinion of the Trustee such direction may result in liability to the Trustee, in its capacity as Trustee or in an individual capacity for which the Trustee has not received indemnity pursuant to Section 1002(e) hereof from the Owners and the Trustee may conclusively rely upon an Opinion of Counsel addressed to the Authority and the Trustee in determining whether any action directed by Owners or the Authority may result in such liability.

(l) Notwithstanding any other provision of this Indenture to the contrary, any provision intended to provide authority to act, right to payment of fees and expenses, protection, immunity and indemnification to the Trustee shall be interpreted to include any action of the Trustee whether it is deemed to be in its capacity as Trustee, Bond Registrar or Paying Agent.

(m) Except as otherwise expressly provided hereunder, the Trustee shall not be required to give or furnish any notice, demand, report, reply, statement, advice or opinion to any Owner, the City, the Authority or any other Person, and the Trustee shall not incur any liability for its failure or refusal to give or furnish the same unless obligated or required to do so by express provisions hereof.

(n) In acting or omitting to act pursuant to the Lease Agreement or any of the other Lease Documents, the Trustee shall be entitled to all of the rights and immunities accorded to it under this Indenture, including but not limited to this Article X.

(o) The Trustee shall have no responsibility with respect to any information in any offering memorandum or other disclosure material distributed with respect to the Bonds or for compliance with securities laws in connection with the sale and issuance of the Bonds.

(p) The Trustee shall have no responsibility with respect to compliance by the Authority or the City with Section 148 of the Internal Revenue Code or any covenant in this Indenture or in the Lease Agreement regarding yields on investments.

(q) The Trustee shall not be required to give a bond or surety to act under this Indenture.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its gross negligence or willful misconduct.

Section 1003. Notice of Defaults. The Trustee shall not be required to take notice or be deemed to have notice of any default or Event of Default hereunder except failure by the Authority to cause to be made any of the payments to the Trustee required to be made by Article V hereof, unless the Trustee shall be specifically notified in writing of such default or Event of Default by the Authority, the City, or the Owners of at least 10% in principal amount of all Bonds Outstanding, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid. Within 30 days after the occurrence of any Event of Default hereunder of which the Trustee is required to take notice or has received notice as provided in this Section 1003, the Trustee shall give written notice of such Event of Default by first-class mail to all Owners of Bonds as shown on the Bond Register maintained by the Trustee, unless such default shall have been cured or waived; provided that, except in the case of a default in the payment of the principal of (or redemption premium, if any) or interest on any Bond, the Trustee shall be protected in withholding such notice from Bondholders if and so long as the Trustee in good faith determines that the withholding of such notice is in the interests of the Bondholders. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 1004. Compensation and Reimbursement. The Trustee shall be entitled to payment or reimbursement:

(a) from time to time for reasonable compensation for services performed by the Trustee under this Indenture (which in the case of compensation for the Trustee's services shall be agreed upon by the Authority with the acknowledgment of the City), which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust;

(b) except as otherwise expressly provided herein, upon its request, for all services performed by the Trustee (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's gross negligence, willful misconduct or bad faith; and

(c) of indemnification for, and to be held harmless against, any loss, liability or expense incurred as provided in the Lease Agreement.

Pursuant to the Lease Agreement, the City has agreed to pay to the Trustee all reasonable fees, charges, advances and expenses of the Trustee and to reimburse the Trustee and hold it harmless, and the Trustee agrees to look only to the City for the payment of all reasonable fees, charges, advances and expenses of the Trustee and any Paying Agent as provided in the Lease Agreement. The Trustee agrees that the Authority shall have no liability for any fees, charges and expenses of the Trustee.

All indemnity provisions in favor of the Trustee under this Indenture and the Lease Agreement shall survive the termination of this Indenture and the Lease Agreement and the removal or resignation of the Trustee.

Section 1005. Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder which shall be a bank, national banking association or trust company organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority, with trust and fiduciary powers in the State, and having a combined capital and surplus of at least $75,000,000 or having its obligations hereunder guaranteed by an affiliated entity with a combined capital and surplus of at least $75,000,000. If such corporation or association publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section 1005, the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with this Section, it shall resign immediately in the manner and with the effect specified in this Article.

Section 1006. Resignation and Removal of Trustee.

(a) The Trustee may resign at any time by giving written notice thereof to the Authority, the City and each Owner of Bonds Outstanding as their names and addresses appear in the Bond Register maintained by the Trustee. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may, at the expense of the City, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(b) The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Authority, and the Trustee signed by the Owners of a majority in principal amount of the Outstanding Bonds. In addition, the Authority at the written direction of the City (so long as the City is not in default under this Indenture and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default) may remove the Trustee at any time for any reason. The Authority, the City or any Bondholders may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee.

(c) If at any time:

(i) the Trustee shall cease to be eligible under Section 1005 hereof and shall fail to resign after written request therefor by the Authority, the City, or by any such Bondholders, or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (a) the Authority may remove the Trustee, or (b) the City or any Bondholders may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(d) The successor Trustee shall give notice of such resignation or such removal of the Trustee and such appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Registered Owners of Bonds as their names and addresses appear in the Bond Register maintained by the Trustee. Each notice shall include the name of the successor Trustee and the address of its Principal Office.

(e) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article X shall become effective until the acceptance of appointment by the successor Trustee under Section 1007 hereof.

Section 1007. Appointment of Successor Trustee. If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Trustee for any cause, the Authority with the written consent of the City (so long as no Event of Default and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default hereunder or under the Lease Agreement has occurred and is continuing) with the written consent of the Owners of a majority in principal amount of Bonds Outstanding (if an Event of Default hereunder or under the Lease Agreement has occurred and is continuing), by an instrument or concurrent instruments in writing delivered to the Authority, the City and the retiring Trustee, shall promptly appoint a successor Trustee. In case all or substantially all of the Pledged Property shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Trustee shall be so appointed by the Authority or the Bondholders. If a successor Trustee shall be appointed in the manner herein provided, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the retiring Trustee and any temporary successor Trustee appointed by such receiver or trustee. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, no successor Trustee shall have been so appointed and accepted appointment in the manner herein provided, the Authority (so long as no Event of Default hereunder or under the Lease Agreement has occurred and is continuing and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default) or the Owners of a majority in principal amount of Bonds Outstanding may appoint, or the Authority, the City or the retiring Trustee, at the expense of the City, or any Bondholders may petition any court of competent jurisdiction for the appointment of, a temporary successor Trustee, until a successor shall have been appointed as above provided. The temporary successor so appointed shall immediately and without further

act be superseded by any successor Trustee appointed as above provided. Every such successor Trustee appointed pursuant to this Section 1007 shall be a bank or national banking association with trust powers or trust company in good standing under the laws of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of this Article X.

Section 1008. Acceptance of Appointment by Successor. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Authority, the City and the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee, but, on request of the Authority, the City or the successor Trustee, such retiring Trustee shall, upon payment of its fees and charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 1004 hereof and thereupon, all duties and obligations of the retiring Trustee hereunder shall cease and terminate. Upon request of any such successor Trustee, the Authority shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and busts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

Section 1009. Merger, Consolidation and Succession to Business. Any corporation or association into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger or conversion or consolidation to which the Trustee shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, and shall be vested with all of the title to the whole property or Pledged Property and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger or conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver such Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

Section 1010. Designation of Paying Agents. The Trustee is hereby designated and agrees to act as principal Paying Agent for and in respect to the Bonds. The Authority, or the City on behalf of the Authority, may cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of the principal of, redemption premium, if any, and interest on the Bonds, or at the Principal Office of said alternate Paying Agents. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Paying Agent for principal of, redemption premium, if any, and interest on the Bonds, and the successor

Trustee shall become such Trustee and Paying Agent unless a separate Paying Agent or Agents are appointed in connection with the appointment of any successor Trustee.

Section 1011. Advances by Trustee. If the City shall fail to make any payment or perform any of its covenants in the Lease Agreement, the Trustee may (but shall in no case be required), at any time and from time to time, use and apply any moneys held by it under this Indenture, or make advances, to effect payment or performance of any such covenant on behalf of the City. All moneys so used or advanced by the Trustee, together with interest at the Prime Rate plus 2%, shall be repaid by the City upon demand and such advances shall be secured under this Indenture prior to the Bond Payment Obligations. For the repayment of all such advances the Trustee shall have the right to use and apply any moneys at any time held by it (except the moneys in the Rebate Fund) under this Indenture but no such use of moneys or advance shall relieve the City from any default hereunder.

Section 1012. Notice to Rating Agencies. The Trustee shall promptly give written notice to each Rating Agency by registered or certified mail, postage prepaid, of the occurrence of any of the following events: (i) the appointment of a successor Trustee hereunder; (ii) the date that no Bonds remain Outstanding; (iii) the Trustee becomes aware of any material change made in this Indenture or the Lease Agreement; (iv) any redemption of Bonds pursuant to this Indenture other than mandatory sinking fund redemptions, if any; or (v) the acceleration of the Bonds in accordance with Article IX hereof.

Section 1013. L. 2005, c. 92 Covenant. In accordance with L. 2005, c. 92, the Trustee covenants and agrees that all services performed under this Indenture shall be performed within the United States of America.

Section 1014. Compliance with L. 2005, c. 51. The Trustee represents and warrants that all information, certifications and disclosure statements previously provided in connection with L. 2005, c. 51, which codified Executive Order No. 134 (McGreevey 2004), are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority has relied upon the truth of the statements contained therein in engaging the Trustee in connection with the Bonds. The Trustee agrees that it will maintain continued compliance with L. 2005, c. 51 and any regulations pertaining thereto. The Trustee acknowledges that upon its failure to make required filings thereunder or the making of a contribution prohibited thereunder the Authority may remove the Trustee as trustee under this Indenture and may exercise any remedies afforded to it at law or in equity.

Section 1015. Compliance with L. 2005, c. 271 Reporting Requirements. The Trustee hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to *N.J.S.A.* 19:44A-20.13 (L. 2005, c. 271, section 3) if the Trustee enters into agreements or contracts, such as this Indenture, with a New Jersey public entity, such as the Authority, and receives compensation or fees in excess of $50,000 or more in the aggregate from New Jersey public entities, such as the Authority, in a calendar year. It is the Trustee's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 609-292-8700 or at www.elec.nj.gov.

Section 1016. Provisions Relating to the Policy With Respect to the Series 2024 Bonds.

(a) Notice and Other Information to be given to Insurer. The Authority will provide the Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of the Bonds or the Trustee under the Security Documents.

The notice address of BAM is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 962-1710, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 962-1524 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(b) Amendments, Supplements and Consents.

(i) *Consents and Amendments*. Whenever any Security Document requires the consent of Bondholders, the Insurer's consent shall also be required. In addition, any amendment, supplement or modification to the Security Documents that adversely affect the rights or interests of the Insurer shall be subject to the prior written consent of Insurer.

(ii) *Control Rights of the Insurer Upon Default*. Anything in any Security Document to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, the Insurer shall be deemed to be the sole holder of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Bonds or the Trustee for the benefit of such holders under any Security Document. The Trustee may not waive any default or event of default or accelerate the Bonds without the Insurer's written consent.

(c) Insurer As Third Party Beneficiary. The Insurer is explicitly recognized as and shall be deemed to be a third-party beneficiary of the Security Documents and may enforce any right, remedy or claim conferred, given or granted hereunder and thereunder.

(d) Policy Payments.

(i) In the event that principal and/or interest due on the Bonds shall be paid by the Insurer pursuant to the Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Authority to the registered owners shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Bonds.

(ii) Notwithstanding anything to the contrary, the Authority and the Trustee shall agree for the benefit of the Insurer that:

(A) They recognize that to the extent the Insurer makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, the Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Authority, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Bonds; and

(B) They will accordingly pay to the Insurer the amount of such principal and interest, with interest thereon, but only from the sources and in the manner provided in the Security Documents and the Bonds for the payment of principal of and interest on the Bonds to holders, and will otherwise treat the Insurer as the owner of such rights to the amount of such principal and interest.

(iii) Special Provisions for Insurer Default: If an Insurer Default (as hereinafter defined) shall occur and be continuing, then, notwithstanding anything in subsection (b) of this Section 1016 above to the contrary, (A) if at any time prior to or following an Insurer Default, the Insurer has made payment under the Policy, to the extent of such payment the Insurer shall be treated like any other holder of the Bonds for all purposes, including giving of consents, and (B) if the Insurer has not made any payment under the Policy, the Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the Insurer makes a payment under the Policy, in which event, the foregoing clause (A) shall control. For purposes of this paragraph (d)(iii), "Insurer Default" means: (A) the Insurer has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) the Insurer shall (1) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (2) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (3) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (4) make a general assignment for the benefit of creditors, or (5) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the Insurer (including without limitation under the New York Insurance Law).

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ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Not Requiring Consent of Bondholders. The Authority and the Trustee may from time to time, without the consent of or notice to any of the Bondholders, enter into one or more Supplemental Indentures, for anyone or more of the following purposes:

(a) To close this Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Indenture on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness; or

(b) To add to the covenants and agreements of the Authority in this Indenture, other covenants and agreements to be observed by the Authority which are not contrary to or inconsistent with this Indenture as theretofore in effect; or

(c) To add to the limitations and restrictions in this Indenture, other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with this Indenture as theretofore in effect; or

(d) To authorize Bonds of a Series and, in connection therewith, specify and determine, or delegate to an Authorized Authority Representative the power to specify and determine, the matters and things referred to in Sections 202 and 205 hereof and also any other matters and things relative to such Bonds (including any Series thereof) which are not contrary to or inconsistent with this Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds (including any Series thereof); or

(e) Notwithstanding any other provisions of this Indenture, to authorize a Series of Bonds having terms and provisions different than the terms and provisions theretofore provided in this Indenture including, but not limited to, provisions relating to the timing of the payment of interest, maturity amounts and valuation as of a given time, and authorizing the form of the bond for such Series of Bonds; provided that the authorization and issuance of such Series of Bonds shall not in any manner impair or adversely affect the rights or security of the Bondholders under this Indenture; or

(f) To authorize, in compliance with all applicable law, Bonds of each Series to be issued in the form of fully registered Bonds issued and held in certificated or book-entry form on the books of the Authority, any Fiduciary or custodian appointed for that purpose by the Authority and, in connection therewith, make such additional changes herein, not adverse to the rights of the Holders of the Bonds, as are necessary or appropriate to accomplish or recognize such certificated or book-entry form Bonds, substitute for any such Fiduciary or custodian, provide for in, and amend any provisions in, this Indenture relating to the giving of notice, and specify and determine the matters and things relative to the issuance of such certificated or book-entry form Bonds as are appropriate or necessary; or

(g) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Indenture, of the Revenues or of any other moneys, securities or Funds; or

(h) To confirm, as further assurance, any pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, this Indenture of the Pledged Property and to pledge any additional revenues, moneys, securities or other agreements; or

(i) To modify any of the provisions of this Indenture in any other respect whatsoever, provided that: (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding; or (ii) if such modification shall become effective prior to the authentication and delivery of the first Bond authorized to be issued pursuant to this Indenture, each Supplemental Indenture shall be specifically referred to in the text of all Bonds authenticated and delivered after the date of the adoption of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof;

(j) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Indenture; or

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

Section 1102. Supplemental Indentures Requiring Consent of Bondholders. Subject to Section 1105 hereof, with the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, the Authority and the Trustee may from time to time enter into such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary or desirable by the Trustee for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided that nothing in this Section 1102 contained shall permit or be construed as permitting without the consent of the Owners of all of the Bonds then Outstanding:

(a) an extension of the maturity of the principal of or the scheduled date of payment of interest on any Bond, or

(b) a reduction in the principal amount, redemption premium, or any interest payable on any Bond, or

(c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or

(d) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Indenture.

If at any time the Authority shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section 1102, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed by first-class mail to each

Bondholders. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondholders. If within 60 days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section 1102 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 1103. City's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, so long as the City is not in default under the Lease Agreement, a Supplemental Indenture under this Article XI shall not become effective unless and until the City shall have consented in writing to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture, together with a copy of the proposed Supplemental Indenture, to be mailed by first-class mail to the City at least fifteen (15) days prior to the proposed date of execution and delivery of any such Supplemental Indenture.

Section 1104. Opinion of Bond Counsel. Notwithstanding anything to the contrary in Sections 1101 or 1102 hereof, concurrently with the entry by the Authority and the Trustee into any Supplemental Indenture pursuant to Section 1101 or 1102 hereof, there shall be delivered to the Authority and the Trustee an opinion of Bond Counsel. The Trustee may conclusively rely on such opinion when consenting to such Supplemental Indenture, which shall, in addition to its other elements, opine to the effect that such Supplemental Indenture is permitted under this Article XI and is duly authorized, validly executed and delivered and is legally valid and binding upon the Authority.

Section 1105. Consents and Other Instruments by Bondholders. Any consent, request, direction, approval, objection or other instrument required by this Indenture (other than the assignment of any Bond) to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such instrument acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by the City shall be disregarded and deemed not to be Outstanding under this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds with respect to which the Trustee has received written notice of such ownership shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the City.

Section 1106. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this Article XI provided may, and, if the Trustee so determines upon advice of counsel, shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the principal corporate trust office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Authority to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

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ARTICLE XII

MISCELLANEOUS

Section 1201. Defeasance. 1. If, subject to the provisions set forth in the next succeeding sentence, the Authority shall pay or cause to be paid, or there shall otherwise be paid, to or for the account of the Holders of all Bonds the principal, redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and in this Indenture, then the pledge of the Pledged Property, any Revenues and other moneys and securities pledged under this Indenture shall thereupon cease, terminate and become void and be discharged and satisfied. 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 the Fiduciaries shall pay over or deliver to the Authority all moneys or securities held by them pursuant to this Indenture which are not required for the payment of principal of, redemption premium, if any, and interest on Bonds not theretofore surrendered for such payment or redemption. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Outstanding Bonds of a particular maturity or particular Bonds within a maturity, 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 this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture and all covenants, agreements and obligations of the Authority to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

2. Principal and/or interest installments for the payment or redemption of which moneys or Investment Securities shall have been set aside and shall be held in trust by the Trustee or Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section 1201. Subject to the provisions of subsection (3) through subsection (5) of this Section 1201, all Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section 1201 if (a) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Securities (including any Investment Securities issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price of and interest due and to become due on said Bonds on or prior to the redemption or maturity date thereof, as the case may be, and (b) 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 form satisfactory to it, irrevocable instructions to mail as provided in Article IV hereof a notice to the Holders of such Bonds that the deposit required by subclause (a) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 1201 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection (6) of this Section 1201, to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds, and (c) 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 form satisfactory to it, irrevocable instructions to mail as provided in Article IV hereof notice of redemption of such Bonds (other than Bonds

which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date. Any notice of redemption mailed pursuant to the preceding sentence with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Bond. For purposes of this Section 1201 only, the term Investment Securities shall mean only those Investment Securities described in clause b.(1) of the definition of "Investment Securities" contained in Section 101 hereof unless the Authority shall have received written confirmation from Moody's, if the Bonds are then rated by Moody's, S&P, if the Bonds are then rated by S&P, and Fitch, if the Bonds are then rated by Fitch, that defeasance with Investment Securities other than those described in such clause b.(1) of the definition of "Investment Securities" will result in the Bonds being rated in the highest investment grade or category of each such rating agency. The Trustee shall, if so directed by the Authority prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1201 which are not to be redeemed prior to their maturity date or prior to the maturity date of any Bonds deemed to have been paid in accordance with this Section 1201 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Investment Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds so purchased; provided, however, that the moneys and Investment Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient (as verified by an independent certified public accountant, as stated in a verification report addressed to the Authority, the City and the Trustee) to pay when due the Principal Installment, redemption premium, if any, and interest due or to become due on all Bonds, in respect of which such moneys and Investment Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 1201 which are not to be redeemed prior to their maturity date or Bonds which are to be redeemed prior to their maturity date, the Authority shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from the Authority to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 1201. The directions given by the Authority to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 1201 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and canceled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 1201 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Bonds as provided in this Section 1201 such amount is in excess (as verified by an independent certified public accountant addressed to the Authority, the City and the Trustee) of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds in order to satisfy subclause (a) of this subsection (2) of Section 1201, the Trustee shall, upon written direction of the Authority and after payment of all unpaid Authority Administrative Expenses and amounts due pursuant to this Indenture and the Lease Agreement, if any, pay the amount of such excess to the City free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under this Indenture. Except as otherwise provided in this subsection (2) of Section 1201 and in subsection

(3) through subsection (5) of this Section 1201, neither Investment Securities nor moneys deposited with the Trustee pursuant to this Section 1201 nor principal or interest payments on any such Investment Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, redemption premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Investment Securities deposited with the Trustee, (A) to the extent such cash will not be required (as verified by an independent certified public accountant as stated in a verification report addressed to the Authority, the City and the Trustee) at any time for such purpose shall, upon written direction of the Authority and after payment of all unpaid Authority Administrative Expenses and amounts due pursuant to this Indenture and the Lease Agreement, if any, be paid over to the City, free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under this Indenture, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Investment Securities maturing at times and in amounts sufficient (as verified by an independent certified public accountant as stated in a verification report addressed to the Authority, the City and the Trustee) to pay when due the principal of, redemption premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and any interest earned from such reinvestment shall, to the extent not needed to pay then due principal of, redemption premium, if any, and interest on said Bonds and upon written direction of the Authority and after payment of all unpaid Authority Administrative Expenses and amounts due pursuant to this Indenture and the Lease Agreement, if any, be paid over to the City, free and clear of any trust, lien, pledge or assignment securing said Bonds or otherwise existing under this Indenture. For the purposes of this Section 1201, Investment Securities shall mean and include only (x) such securities as are described in this subsection 1201(2) which shall not be subject to redemption prior to their maturity other than at the option of the Holder thereof, (y) such securities as are described in this subsection 1201(2) which shall not be subject to redemption prior to their maturity other than at the option of the Holder thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the Holder thereof, or (z) upon compliance with the provisions of subsection (3) of this Section 1201, such securities as are described in this subsection 1201(2) which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

3. Investment Securities described in clause (z) of subsection (2) of this Section 1201 may be included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of subclause (a) of subsection (2) of this Section 1201 only if the determination as to whether the moneys and Investment Securities to be deposited with the Trustee in order to satisfy the requirements of such subclause (a) would be sufficient to pay when due either on the maturity date or the redemption date thereof, the principal of, redemption premium, if any, and interest on the Bonds (including any Series thereof) which will be deemed to have been paid as provided in subsection (2) of this Section 1201 is made both (i) on the assumption that the Investment Securities described in clause (z) were not redeemed at the option of the issuer prior to the maturity date thereof; and (ii) on the assumption that such Investment Securities would be redeemed by the issuer thereof at its option on each date on which such option could be exercised, that as of such date or dates interest ceased to accrue on such Investment Securities and that the proceeds of such redemption would not be reinvested by the Trustee.

4. In the event after compliance with the provisions of subsection (3) of this Section 1201 the Investment Securities described in clause (z) of subsection (2) of this Section 1201 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of subclause (a) of subsection (2) of this Section 1201 and any such Investment Securities are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the direction of the Authority, provided that the aggregate of the moneys and Investment Securities to be held by the Trustee, taking into consideration any changes in redemption dates or instructions to give notice of redemption given to the Trustee by the Authority in accordance with subsection (3) of this Section 1201, shall at all times be sufficient (as verified by an independent certified public accountant as stated in a verification report addressed to the Authority, the City and the Trustee) to satisfy the requirements of subclause (b) of subsection (2) of this Section 1201, shall reinvest the proceeds of such redemption in Investment Securities. The Trustee shall mail notice of the substitution of Investment Securities to the Holders of the Bonds.

5. In the event that after compliance with the provisions of subsection (4) of this Section 1201 the Investment Securities described in clause (z) of subsection (2) of this Section 1201 are included in the Investment Securities deposited with the Trustee in order to satisfy the requirements of subclause (a) of subsection (2) of this Section 1201, then any notice of redemption to be mailed by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the Authority, that any redemption date or dates in respect of all or any portion of the Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and that redemption dates may be established for any Bonds deemed to have been paid in accordance with this Section 1201 upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment Securities described in clause (z) of subsection (2) of this Section 1201 have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change or redemption date or dates or establishment of redemption date or dates may be made unless taking into account such changed redemption date or dates or newly established redemption date or dates the moneys and Investment Securities on deposit with the Trustee including any Investment Securities or redemption proceeds in accordance with subsection (5) of this Section 1201 pursuant to subclause (a) of subsection (2) of this Section 1201 would be sufficient to pay when due the principal or Redemption Price of, and interest on all Bonds deemed to have been paid in accordance with subsection (2) of this Section 1201 which have not as yet been paid.

6. If the Bonds are rated by Moody's, S&P and/or Fitch, then the Authority shall give notice to the rating agency or agencies that rated the Bonds of any defeasance of all or any of the Bonds.

Section 1202. Unclaimed Funds. 1. Anything in this Indenture to the contrary notwithstanding, but subject to any provision of State or Federal law to the contrary, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for four (4) years after the date when such Bonds have become due and payable, at their stated maturity dates, if such moneys were held by the Fiduciary at such date, or for four (4) years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, upon written direction of the

Authority and after payment of all unpaid Authority Administrative Expenses and amounts due pursuant to this Indenture and the Lease Agreement, if any, be paid by the Fiduciary to the City, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the City for the payment of such Bonds; provided, however, that before being required to make any such payment to the City the Fiduciary shall, at the written direction of the Authority and at the expense of the City, cause to be published at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, 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 City, subject to the hereinabove stated conditions and except as set forth in subsection (2) below.

2. Subject to the provisions of Section 1202(1) hereof, to the extent any moneys are remaining in such Funds and Accounts and the Fiduciaries and/or the Authority have unreimbursed expenses and/or Authority Administrative Expenses or there are other unpaid amounts due pursuant to this Indenture and the Lease Agreement, such moneys shall be paid to each such Fiduciary and/or the Authority by the Trustee, free and clear of the lien and pledge of this Indenture, to the extent required to reimburse such Fiduciary and/or the Authority for such expenses, Authority Administrative Expenses, and/or other unpaid amounts and, if thereafter there are any unclaimed moneys remaining in the Funds and Accounts, then to the City.

Section 1203. Satisfaction and Discharge of the Indenture. If the principal of, redemption premium, if any, and interest on all of the Bonds shall have been paid in accordance with their terms, or provision has been made for such payment as provided in Section 1201 hereof, and provision shall also be made for paying all other sums payable hereunder, any Rebate Amount to the United States of America and the fees, charges and expenses of the Authority, the Trustee, any Paying Agent, including attorneys' fees and expenses, to the date of retirement of the Bonds, then the right, title and interest of the Trustee in respect hereof shall thereupon cease, determine and be void, and thereupon the Trustee, upon written request of the City, and upon receipt by the Trustee and the Authority of a Favorable Opinion of Bond Counsel, which shall, in addition to its other elements, opine that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall cancel, discharge and release this Indenture and shall execute, acknowledge and deliver to the Authority and the City such instruments of satisfaction and discharge or release as shall be reasonably requested to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the Authority, the City or other Person entitled thereto as their respective interests may appear, any property and revenues at the time subject to this Indenture which may then be in its possession, other than moneys or obligations held by the Trustee for the payment of the principal of and interest and redemption premium, if any, due or to become due on the Bonds.

Upon provision for the payment of all Outstanding Bonds in accordance with this Section 1202, and compliance with the other payment requirements of Section 1201 hereof, and subject to this Section 1202, the Indenture may be discharged in accordance with the provisions hereof, and the Owners thereof shall thereafter be entitled to payment only out of the moneys or Government Obligations deposited with the Trustee as aforesaid.

Provision for payment of the Bonds Outstanding hereunder may not be made as aforesaid nor may this Indenture be discharged if under any circumstances the interest on such Bonds is thereby made subject to federal income taxation. In determining the foregoing, the Trustee may conclusively rely upon a favorable opinion of Bond Counsel.

Section 1204. Payment of Bonds After Discharge. Notwithstanding the discharge of the lien hereof as in this Article XII provided, the Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer, exchange and replacement of Bonds as provided herein. Thereupon it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, *N.J.S.A.* 46:30B-l *et seq.*, with respect to such funds in accordance with the Trustee's escheat policies and procedures, which must not be in conflict with the Uniform Unclaimed Property Act, *N.J.S.A.* 46:30B-1 *et seq.* Any such delivery shall be in accordance with the customary practices and procedures of the Trustee and the State escheat laws. Any money held by the Trustee pursuant to this Section 1204 shall be held uninvested and without any liability for interest.

Section 1205. Evidence of Signatures of Bondholders and Ownership of Bonds. 1. Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Bondholders may be signed or executed in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Bondholder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature, guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(2) The amount of Bonds transferable by delivery held by any Person executing any instrument as a Bondholder, the date of his holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company,

or financial corporation or other depository wherever situated, showing at the date therein mentioned that such Person exhibited to such member or officer or had on deposit with such depository the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions, the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

2. The ownership of Bonds registered otherwise than to bearer and the amount, numbers and other identification, and date of holding the same shall be provided by the registry books.

3. Any request or consent by the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Authority or any Fiduciary in accordance therewith.

Section 1206. Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest or principal due on any date with respect to particular Series of Bonds or for particular Bonds within such Series of Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

Section 1207. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this Indenture shall be retained in its possession for a period of seven (7) years and shall be subject at all reasonable times to the inspection of the Authority any other Fiduciary and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

Section 1208. Parties Interest Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person or corporation, other than the Authority, the City, the Fiduciaries and the Holders of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the City, the Fiduciaries and the Holders of the Bonds.

Section 1209. No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Indenture against any member or officer of the Authority or any Person executing the Bonds.

Section 1210. Publication of Notice; Suspension of Publication. 1. Any publication to be made under the provisions of this Indenture in successive weeks or on successive dates may be made in each instance upon any Business Day of the week and need not

be made in the same Authorized Newspaper for any or all of the successive publications but may be made in a different Authorized Newspaper.

2. If, because of the temporary or permanent suspension of the publication or general circulation of any Authorized Newspaper or for any other reason, it is impossible or impractical to publish any notice pursuant to this Indenture in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Authority shall constitute a sufficient publication of such notice.

Section 1211. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

Section 1212. Holidays. Except with respect to the computation of a Record Date, if the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, shall be a legal holiday or a day on which banking institutions in the municipality in which is located the principal office of the Trustee or the operational offices of the Authority or the City are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Indenture, and no interest shall accrue for the period after such nominal date.

Section 1213. Separate Financings. Nothing contained in this Indenture shall be construed to prevent the Authority from acquiring, constructing or financing through the issuance of its bonds, notes, or other evidences of indebtedness any other public facilities or from securing such bonds, notes or other evidences of indebtedness by a mortgage of such public facilities so financed or by a pledge of, or other security interest in, the revenues thereunder or any lease or other agreement with respect thereto or any revenues derived from such lease or other agreement; provided that such bonds, notes, or other evidences of indebtedness shall not be payable out of or secured by the Revenues or any Fund held under this Indenture and neither the cost of such public facilities nor any expenditure in connection therewith or with the financing thereof shall be payable from the Revenues or from any such Fund hereunder.

Section 1214. Notices and Demands. All notices, demands or other communications provided for in this Indenture shall be in writing and shall be sent by facsimile transmission (confirmed, in writing, and hard copy to follow in the manner prescribed below) or shall be delivered personally, sent by certified or registered mail or by recognized overnight mail, to (i) the City at 181 East Commerce Street, Bridgeton, New Jersey 08302, Attn: Chief Financial Officer, Fax No. (856) 455-3230; (ii) the Authority at The Cumberland County Improvement Authority, 745 Lebanon Road, Millville, New Jersey 08332, Attn: President/Chief Financial Officer, Fax No. (856) 825-3700; (iii) the Trustee at U.S. Bank National Association, 333 Thornall Street, 4th Floor, Edison, New Jersey 08837, Attn: Corporate Trust Services, Fax No. (973) 682-4540; (iv) Bond Counsel to the Authority, Parker McCay P.A., 9000 Midlantic Drive, Suite 300, Mount Laurel, New Jersey 08054, Attn: Jeffrey D. Winitsky, Esq., Fax No. (856) 596-9631; and (v) Build America Mutual Assurance Company, 200 Liberty Street, 27th

Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 962-1710, Email: notices@buildamerica.com., or to such other representatives or addresses as the Authority, the City, the Trustee or Bond Counsel may from time to time designate by written notice to the parties hereto or beneficiaries hereof in accordance with this Section 1212.

Section 1215. Headings. The Article and Section headings in this Indenture are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Indenture.

Section 1216. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

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ARTICLE XIII

BOND FORM AND EFFECTIVE DATE

Section 1301. Form of Bonds. Subject to the provisions of this Indenture, the form of the Bonds shall be substantially as follows:

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UNITED STATES OF AMERICA
STATE OF NEW JERSEY
THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

CITY GENERAL OBLIGATION LEASE REVENUE BONDS
(BRIDGETON FIRE STATION PROJECT), SERIES 2024

No. R-

INTEREST RATE		**CUSIP NUMBER**
%		23058P ___
MATURITY DATE	**DATED DATE**	**AUTHENTICATION DATE**
December 1, 2025	October 10, 2024	October 10, 2024

REGISTERED OWNER: Cede & Co.

PRINCIPAL SUM: (DOLLARS)

THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY, in the County of Cumberland, State of New Jersey ("Authority"), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey ("State"), acknowledges itself indebted and for value received hereby promises to pay to the REGISTERED OWNER stated above, or registered assigns, the PRINCIPAL SUM stated above, 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 Series 2024 Bond (as hereinafter defined) 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 the first days of June and December, commencing June 1, 2025. This Series 2024 Bond (as hereinafter defined), as to principal, when due, will be payable at the principal corporate trust office of U.S. Bank Trust Company, National Association, 333 Thornall Street, 4th Floor, Edison, New Jersey. Interest on this Series 2024 Bond will be payable by check which will be mailed to the REGISTERED OWNER hereof whose name shall appear on the registration books of the Authority which shall be kept and maintained by the Bond Registrar hereinafter mentioned, as determined on the first days of June and December (whether or not a Business Day) ("Record Date"); provided, however, that a REGISTERED OWNER of $1,000,000 or more in principal amount of the Series 2024 Bonds shall be entitled, upon three (3) Business Days' written notice to the Trustee in advance of the applicable Record Date, to receive interest payments by wire transfer of immediately available funds. Payment of the principal of and interest on this Series 2024 Bond shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This bond is one of the duly authorized issue of a Series of revenue bonds, each designated as "City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2024" ("Series 2024 Bonds" or "Bonds") of the Authority, limited to the aggregate principal amount of $3,000,000 and authorized and issued under and pursuant to the County

Improvement Authorities Law, P.L. 1960, c.183, as amended ("Act"), and under and in accordance with a resolution of the Authority duly adopted August 28, 2024 entitled, "Bond Resolution of The Cumberland County Improvement Authority Authorizing the Issuance and Sale of Up to $3,000,000 Aggregate Principal Amount of the Authority's City General Obligation Lease Revenue Bond (Bridgeton Fire Station Project), Series 2024, in one or more Series, on a Tax-Exempt Basis, Making Certain Determinations and Approvals with Respect to Said Bonds; and Authorizing Certain Actions" ("Bond Resolution") and an Indenture of Trust, dated as of October 1, 2024, between the Authority and U.S. Bank Trust Company, National Association, as trustee for the Series 2024 Bonds ("Indenture"). Copies of the Bond Resolution and Indenture are on file in the office of the Authority, 745 Lebanon Road, Millville, New Jersey and at the principal corporate trust office of 333 Thornall Street, 4th Floor, Edison, New Jersey ("Trustee"), as trustee under the Indenture.

This Series 2024 Bond is a limited and special obligation of the Authority payable from the Revenues and secured by a lien on the Pledged Property (as defined in the Indenture) of the Authority and from any other moneys pledged therefor under the Indenture; provided, however, that the power and obligation of the Authority to cause application of such Pledged Property and other funds to the payment of the principal or Redemption Price of and the interest on the Series 2024 Bonds is subject to the terms of the Indenture.

The Series 2024 Bonds are issued in the form of Registered Bonds, without coupons, in book-entry only form in the denomination of $5,000 each or any integral multiple thereof.

As defined in the Indenture, and for purposes of this Series 2024 Bond, "Business Day" shall mean any day that is not a Saturday, a Sunday or a legal holiday in the State or the State of New York or a day on which the Trustee, the Bond Registrar, any Paying Agent, the City or the Authority is legally authorized to close. All other terms used herein which are not defined shall have the meanings ascribed to such terms in the Indenture.

The Series 2024 Bonds maturing before December 1, 203_ shall not be subject to optional redemption prior to maturity. The Series 2024 Bonds maturing on or after December 1, 203_ shall be subject to redemption prior to maturity at the option of the Authority, to be exercised upon receipt of written notice to the Trustee and the Authority of prepayment from the City in accordance with the terms of the Lease Agreement, on or after December 1, 203_, in whole or in part at any time, at any time in such order of maturity as the Authority may direct and within maturity by lot, at the redemption price redemption price equal to one hundred percent (100%) of the principal amount of the Series 2024 Bonds to be redeemed, together with interest accrued to the redemption date, upon notice as set forth below.

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Sinking Fund Redemption. The Series 2024 Bonds maturing on December 1, 20__ are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus interest accrued to the redemption date, on the following dates in the respective principal amounts set forth opposite such dates:

Redemption Date (December 1)	Principal Amount to be Redeemed
20__	$
20__	
20__*	

*Final Maturity.

Unless otherwise provided in the Indenture, if less than all of the Series 2024 Bonds of like maturity shall be called for prior redemption, the particular Series 2024 Bonds or portions of such Series 2024 Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee, in its sole discretion, may deem fair and appropriate; provided, however, that the portion of any such Series 2024 Bond of a denomination of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or a multiple thereof, and that, in selecting portions of such Series 2024 Bonds for redemption, the Trustee shall treat each such Series 2024 Bond as representing that number of Series 2024 Bonds of $5,000 denomination which is obtained by dividing by $5,000 the principal amount of such Series 2024 Bond to be redeemed in part.

When the Trustee shall receive notice from the Authority of its election or direction to redeem the Series 2024 Bonds pursuant to Section 402 of the Indenture and when redemption of the Series 2024 Bonds is authorized or required pursuant to Section 403 of the Indenture, the Trustee shall give notice, in the name of the Authority, of the redemption of such Series 2024 Bonds, which notice shall specify the maturities of the Series 2024 Bonds to be redeemed, the Redemption Price, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 2024 Bonds of any like maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2024 Bonds so to be redeemed, and, in the case of the Series 2024 Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2024 Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal amount thereof in the case of the Series 2024 Bonds to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by the Trustee, via first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the REGISTERED OWNERS of any Series 2024 Bonds or portions of the Series 2024 Bonds which are to be redeemed, at their last addresses appearing upon the registry books. Failure to give notice by mail, or any defect in notice to the REGISTERED OWNER of any Series 2024 Bonds which are to be redeemed shall not affect the validity of the proceedings for the redemption of any other Series 2024 Bonds.

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

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

If, on the redemption date, moneys for the redemption of all the Series 2024 Bonds or portions thereof of any like maturity to be redeemed, together with interest thereon to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Series 2024 Bonds or portions thereof of such maturity so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such notice of redemption shall be rescinded by the Trustee and shall be deemed to be null and void as if never given and such Series 2024 Bonds or portions thereof shall continue to bear interest until paid at maturity at the same rate as they would have borne had they not been called for redemption.

Pursuant to the Indenture, the Authority may hereafter issue Refunding Bonds for the purposes, in the amounts and on the conditions prescribed in the Indenture. All bonds issued and to be issued under the Indenture, including the Series 2024 Bonds and other Series of Refunding Bonds, are and will be equally secured by the pledge of Funds and Revenues provided in the Indenture except as otherwise provided in or pursuant to the Indenture.

To the extent and in the respects permitted by the Indenture, the provisions of the Indenture 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 Indenture. The pledge of the Pledged Property and other obligations of the Authority under the terms of the Indenture may be discharged at or prior to the maturity or redemption of the Series 2024 Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Indenture.

This Series 2024 Bond is transferable, as provided in the Indenture, only upon the registration books of the Authority which are kept and maintained for that purpose at the principal corporate trust office of U.S. Bank Trust Company, National Association, 333 Thornall Street, 4th Floor, Edison, New Jersey ("Bond Registrar"), as registrar under the Indenture, or its successor as Bond 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 Bond 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 Series 2024 Bond or Series 2024 Bonds, of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Series 2024 Bond as provided in the Indenture, upon payment of the charges therein prescribed. The Authority, the Trustee, the Bond Registrar and any Paying Agent of the Authority may treat and consider the Person in whose name this Series 2024 Bond is registered as the Holder and absolute Owner of this Series 2024 Bond for the

purpose of receiving payment of the principal or Redemption Price of and interest due thereon and for all other purposes whatsoever.

Reference to the Bond Resolution, the Indenture, the Lease Agreement and the Act is made for a description of the nature and extent of the security for the Series 2024 Bonds, the Pledged Property, the Funds 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 Series 2024 Bonds with respect thereto, the terms and conditions upon which the Series 2024 Bonds are issued and upon which they may be issued thereunder, and a statement of the rights, duties, immunities and obligations of the Authority, the City and the Trustee.

THE ACT PROVIDES THAT NEITHER THE MEMBERS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE SERIES 2024 BONDS SHALL BE LIABLE PERSONALLY ON THE SERIES 2024 BONDS BY REASON OF THE ISSUANCE THEREOF.

THE SERIES 2024 BONDS ARE NOT AND SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OR ANY SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY RELATING SOLELY TO THE PLEDGED PROPERTY, AND AS APPLICABLE UNDER AND LIMITED BY THE LEASE AGREEMENT, THE CITY), AND DO NOT AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF SAID STATE, OR OF ANY SUBDIVISION (OTHER THAN THE AUTHORITY RELATING SOLELY TO THE PLEDGED PROPERTY, AND AS APPLICABLE UNDER AND LIMITED BY THE LEASE AGREEMENT, THE CITY), EITHER LEGAL, MORAL OR OTHERWISE. THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE SERIES 2024 BONDS FROM THE REVENUES AND FUNDS PLEDGED THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE CITY, AS APPLICABLE, UNDER AND LIMITED BY THE LEASE AGREEMENT), IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2024 BONDS. THE AUTHORITY HAS NO TAXING POWER.

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 or by the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Series 2024 Bond exist, have happened and have been performed and that the Series 2024 Bonds, together with all other indebtedness of the Authority, are within every debt and other limit prescribed by said Constitution or statutes.

This Series 2024 Bond shall not be entitled to any security or benefit under the terms of the Indenture or be valid or obligatory for any purpose unless the certificate of authentication has been manually executed by the Trustee upon original issuance and thereafter by the Bond Registrar.

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Series 2024 Bond to U.S. Bank Trust Company, National Association, 333 Thornall Street, 4th Floor, Edison, New Jersey, or its successor, as trustee for the Series 2024 Bonds (the "Trustee"). Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from BAM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Series 2024 Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Indenture or this Series 2024 Bond, BAM shall be deemed to be the sole owner of the Series 2024 Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Series 2024 Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the Indenture, at law or in equity.

IN WITNESS WHEREOF, THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY has caused this Series 2024 Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chairman and its corporate seal to be affixed, impressed or reproduced hereon, and this Series 2024 Bond and such seal to be attested by the manual or facsimile signature of its Secretary, all as of the DATED DATE set forth above.

ATTEST: THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

_____, Secretary BY:_____, Chairman

[SEAL]

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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 Series 2024 Bond and all rights hereunder, and hereby irrevocably constitutes and appoints _____ _____, as Attorney, to transfer the within Series 2024 Bond on the registration books of The Cumberland 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 Series 2024 Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

SIGNATURE GUARANTEE:
(Medallion Guarantee Program Stamp)

_____

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Section 1302. Form of Certificate of Authentication of Trustee or Bond Registrar. The form of Certificate of Authentication by the Trustee or Bond Registrar on the Bonds shall be substantially as follows:

CERTIFICATE OF AUTHENTICATION

This Bond is one of the issue of City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2024 of The Cumberland County Improvement Authority, described and delivered pursuant to the within-mentioned Indenture and being dated October 1, 2024.

U.S. Bank Trust Company, National Association, as Trustee

By:_____
Authorized Signature

Section 1303. Effective Date. This Indenture shall take effect upon adoption in accordance with the Act, specifically *N.J.S.A.* 40:37A-50(7)(e).

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IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its name and behalf and attested by its duly Authorized Authority Officer, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf attested by its duly authorized officer, all as of the day and year first above written.

THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

By: _____
GERARD VELAZQUEZ, III
President/CEO

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____

Acknowledged:

CITY OF BRIDGETON, NEW JERSEY

By: _____
TRISHA MCGAHHEY,
Chief Financial Officer

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4856-1889-2751, v. 4

LEASE AGREEMENT

BETWEEN

THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

AND

CITY OF BRIDGETON
COUNTY OF CUMBERLAND, NEW JERSEY

Dated as of _____ 1, 2024

THIS LEASE AGREEMENT, dated as of _____ 1, 2024 ("Lease Agreement"), between The Cumberland County Improvement Authority ("Authority"), a public body corporate and politic and a political subdivision of the State of New Jersey ("State"), and the City of Bridgeton, County of Cumberland, New Jersey ("City"), a body politic and corporate of the State.

W I T N E S S E T H:

WHEREAS, the Authority, a public body corporate and politic and a political subdivision of the State of New Jersey ("State"), organized and existing under the Act (as hereinafter defined) and created pursuant to a resolution of the Board of Chosen Freeholders of the County of Cumberland ("County") adopted on December 30, 1980, and any successor to its duties and functions, is authorized by the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State of New Jersey, as amended and supplemented (*N.J.S.A.* 40:37A-44 *et seq.*) ("Act"), to provide within the County, public facilities (as defined in the Act) for use by the State, the County or any beneficiary county, or any municipality in the County, or any two (2) or more or any subdivisions, departments, agencies or instrumentalities of any of the foregoing for any of their respective governmental purposes; and

WHEREAS, the Authority is authorized by the Act, specifically *N.J.S.A.* 40:37A-78, to enter into and perform any lease or other agreement with a county, municipality, governmental unit or Person for the lease to or use by such county, municipality, governmental unit or person of all or any part of any public facility or facilities; and

WHEREAS, on December 22, 2021 the Authority issued its $7,495,000 City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2021 to assist the City for the purposes of providing funds for a project consisting of: (i) the planning, design and construction of a new approximately 30,000 square foot fire station for use by the City fire department and emergency medical services ("Facility") to be located at 168 East Commerce Street in the City (Lot 1, Block 121) ("Project Site"), which Project Site is owned and operated by the City; including all other costs and expenses necessary for or related to the development, construction and equipping of the Facility ("Initial Project"); (ii) capitalized interest and the funding of any reserve funds, as may be necessary; and (iii) the costs of issuance with respect to the proposed financing; and

WHEREAS, the City, with the assistance of the Authority, now desires to: (i) undertake further capital improvements consisting of additional construction, furnishing and equipping of the existing Facility ("2024 Construction Project"); (ii) fund capitalized interest and the funding of any reserve funds, as may be necessary; and (iii) finance the costs of issuance with respect to the proposed financing (items (i), (ii) and (iii) herein are collectively, the "2024 Project"); and

WHEREAS, the Authority, in recognition of the importance of completing the Facility in the manner the City desires, has offered to provide support and assistance to the City with respect to facilitating the financing of the 2024 Project; and

WHEREAS, the Authority has determined, pursuant to the Act, to finance the costs of the 2024 Project through the issuance of its "City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2024" in an aggregate principal amount not to exceed $3,000,000 ("Series 2024 Bonds"); and

WHEREAS, the Series 2024 Bonds will be issued pursuant to the terms of the Authority's bond resolution, adopted August 28, 2024, entitled "BOND RESOLUTION OF THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF UP TO $3,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE AUTHORITY'S CITY GENERAL OBLIGATION LEASE REVENUE BONDS (BRIDGETON FIRE STATION PROJECT), SERIES 2024, IN ONE OR MORE SERIES, ON A TAX-EXEMPT BASIS; MAKING CERTAIN DETERMINATIONS AND APPROVALS WITH RESPECT TO SAID BONDS; AND AUTHORIZING CERTAIN ACTIONS", as amended, modified and supplemented (the "Bond Resolution"), the Act, and an Indenture of Trust, dated as of _____ 1, 2024 ("Indenture"), by and between the Authority and the Trustee (as hereinafter defined), and other applicable law; and

WHEREAS, the City, has pursuant to an ordinance duly adopted on July 30, 2024, authorized and approved, *inter alia*, the issuance of the Series 2024 Bonds and the execution and delivery of this Lease Agreement and the Indenture; and

WHEREAS, the Authority has applied to the Local Finance Board of the State Department of Community Affairs, Division of Local Government Services ("Local Finance Board"), for review of the 2024 Project and the financing thereof with the proceeds of the Series 2024 Bonds and has received the requisite positive findings from the Local Finance Board on August 14, 2024; and

WHEREAS, the Authority will, pursuant to the Act: (i) provide for the financing of the Costs (as hereinafter defined) of the 2024 Project by the issuance of the Series 2024 Bonds; (ii) utilize the proceeds of the Series 2024 Bonds to construct the 2024 Construction Project; and (iii) lease the 2024 Construction Project to the City pursuant to the terms and conditions set forth herein and in the Indenture; and

WHEREAS, pursuant to the terms of this Agreement, the City is required to make certain Lease Payments (as hereinafter defined) to the Authority on each Lease Payment Date (as hereinafter defined) in an amount equal to the Debt Service (as defined in the Indenture) on the Series 2024 Bonds due on the immediately succeeding Interest Payment Date (as hereinafter defined) and/or Principal Installment Date (as hereinafter defined), as the case may be; and

WHEREAS, all actions necessary and required under the Act for the approval of the 2024 Project, including obtaining the consent of the County, pursuant to Section 13 of the Act (*N.J.S.A.* 40:37A-56), to undertake the financing and the review of and consent to such financing by the Local Finance Board of the Division of Local Government Services, State Department of Community Affairs, has been taken by the Authority and the City; and

WHEREAS, the Authority and the City agree that their mutual public purposes and their best interests will be promoted by the execution and delivery of this Lease Agreement pursuant to the powers conferred by the Act.

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

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

SECTION 1.01. Definitions. The terms set forth in this Section 1.01 shall have the meanings ascribed to them for all purposes of this Lease Agreement unless the context clearly indicates some other meaning. Terms used herein and not defined herein shall have the meanings ascribed thereto in the Indenture. Words in the singular shall include the plural and words in the plural shall include the singular where the context so requires.

"Account" or **"Accounts"** shall mean, as the case may be, each or all of the Accounts established and created under Article V of the Indenture.

"Acquisition Fund" shall mean the Fund so designated, created and established pursuant to Section 502(1) of the Indenture.

"Act" shall mean the County Improvement Authorities Law, constituting Chapter 183 of the Laws of 1960 of the State (*N.J.S.A.* 40:37A-44 *et seq.*), as amended and supplemented from time to time.

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

"Additional Project" shall mean any additions to the 2024 Construction Project or any enlargements thereof undertaken pursuant to Section 7.03 hereof.

"Agreement" or **"Lease Agreement"** shall mean this Lease Agreement, dated as of_____ 1, 2024, by and between the Authority and the City, together with any supplements and amendments thereto relating to the 2024 Project to be financed with the proceeds of the Series 2024 Bonds issued by the Authority.

"Annual Authority Administrative Fee" shall mean an annual fee for the general administrative expenses of the Authority for each Series of Bonds, due on each anniversary of the Issue Date until such time as such Series of Bonds are no longer Outstanding in an amount equal to the amount of the actual fees which have been paid or incurred by the Authority for legal, auditing and rebate requirements, if any, in connection with such Series of Bonds and all other services or actions of the Authority in connection with this Lease Agreement; provided, however, that any such amount in excess of $5,000 shall require the prior written approval of the City.

"Article" shall mean a specified Article hereof, unless otherwise indicated.

"Authority" shall mean The Cumberland County Improvement Authority.

"Authority Administrative Expenses" shall mean 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 the Indenture and this Lease Agreement, as applicable, including, but not limited to: (i) the Initial Authority Financing Fee; (ii) the Annual Authority Administrative Fee; (iii) 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 2024 Project or the compelling of the full and punctual performance of the Bond Resolution, the Indenture and this Lease Agreement in accordance with the terms thereof and hereof; (iv) all fees and expenses including, but not limited to, indemnification expenses, if any, of counsel, auditors, insurers, Fiduciaries and others; and (v) 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 the Indenture and this Lease Agreement, all to the extent not capitalized pursuant to the requirements of the Indenture, which Authority Administrative Expenses shall be paid as Additional Lease Payments by the City.

"Authorized Authority Representative" shall mean any Person or Persons authorized to act on behalf of the Authority by a written certificate signed on behalf of the Authority by the Chairman or Vice Chairman of the Authority containing the specimen signature of each such Person.

"Authorized City Representative" shall mean any Person or Persons authorized to act on behalf of the City as shall be set forth in a written certificate signed on behalf of the City by the Mayor or Deputy Mayor of the City, which form of certificate is set forth as Exhibit D annexed hereto and incorporated by this reference herein.

"Bond Counsel" shall mean the law firm of Parker McCay P.A., Mount Laurel, New Jersey, or any other lawyer or firm of lawyers with experience and nationally recognized expertise in the field of municipal finance selected by the Authority and acceptable to the Trustee.

"Bond Resolution" shall mean the resolution adopted by the Authority on August 28, 2024 entitled "BOND RESOLUTION OF THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF UP TO $3,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE AUTHORITY'S CITY GENERAL OBLIGATION LEASE REVENUE BONDS (BRIDGETON FIRE STATION PROJECT), SERIES 2024, IN ONE OR MORE SERIES, ON A TAX-EXEMPT BASIS; MAKING CERTAIN DETERMINATIONS AND APPROVALS WITH RESPECT TO SAID BONDS; AND AUTHORIZING CERTAIN ACTIONS", as the same may be amended, modified or supplemented in accordance with the provisions thereof.

"Bond Year" shall mean, with respect to the Series 2024 Bonds, each one (1) year period that ends on the day that is selected by the Authority. The first and last Bond Years may be short periods. If no day is selected by the Authority before the earlier of the final maturity date of the Series 2024 Bonds or the date that is five (5) years after the Issue Date, Bond Years shall end on each anniversary of the Issue Date and on the final maturity date of the Series 2024 Bonds. For each Series of Refunding Bonds, Bond Year shall be designated in the Supplemental Indenture pursuant to which such Series of Bonds is issued.

"Bonds" shall mean the Series 2024 Bonds and any series of Refunding Bonds issued pursuant to a Supplemental Indenture.

"Bondholder", "Holder of Bonds", "Holder" or **"Owner"** shall mean any Person who shall be the Registered Owner of any Bond or Bonds.

"Business Day" shall mean any day that is not a Saturday, a Sunday or a legal holiday in the State or the State of New York or a day on which the Trustee, the Bond Registrar, any Paying Agent or the Authority is legally authorized to close.

"City" shall mean the City of Bridgeton, in the County of Cumberland, a municipal corporation of the State.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations promulgated thereunder.

"Completion Certificate" shall mean the certificate described in Section 4.05 hereof, executed by the City and the Authority, wherein, with respect to the 2024 Construction Project (including any Additional Project), the City certifies as to such matters as the Authority shall require.

"Completion Date" shall mean the date of completion of the 2024 Construction Project as stated in the Authority's Completion Certificate described in Section 4.05 hereof.

"2024 Construction Project" shall be as defined in the Whereas clauses hereto.

"Continuing Disclosure Agreement" shall have the meaning given to such term in Section 5.13 of this Lease Agreement.

"Cost" or **"Costs"** shall mean and shall be deemed to include, with respect to the 2024 Project or any portion thereof, together with any other proper and reasonable item of cost not specifically mentioned herein, whether incurred prior to or after the date of this Lease Agreement: (i) the costs of payment of, or reimbursement for, the acquisition, improvement, installation and financing of such 2024 Project including, but not limited to, environmental or remediation costs, advances or progress payments, appraisals, engineering, design, site work, surveys, title insurance, demolition, construction and equipment costs, installation costs, administrative costs and capital expenditures relating to the 2024 Project, capitalized interest, financing payments, sales taxes, excise taxes, property taxes, costs of feasibility, environmental and other reports, inspection costs, permit fees, filing and recordation costs, printing costs for all documents, reproduction and binding costs, fees and charges of the Trustee pursuant to the Indenture, financing documents, legal fees and charges, financial, accounting and other professional consultant fees, the Initial Authority Financing Fee for a particular Series of Bonds, all professional and consulting fees and charges of the Authority and the City, costs of rating agencies, bond insurance, bond insurers or credit ratings, fees for the printing, execution, transportation and safekeeping of the Bonds, and any charges and fees in connection with any of the foregoing; (ii) all other costs which the City or the Authority shall be required to pay under the terms of any contract or contracts for the acquisition of the 2024 Construction Project

including, but not limited to, the cost of insurance; (iii) any sums required to reimburse the City for advances made for any of the above items, or for any other costs incurred and for work done, which is properly chargeable to the 2024 Construction Project; (iv) deposits in any Fund or Account under the Indenture, all as shall be provided in the Indenture; and (e) such other expenses not specified herein or in the Indenture as may be necessary or incidental to the construction of the 2024 Construction Project, the financing thereof and the placing of the same in use and operation. Cost as defined herein shall be deemed to include the cost and expenses incurred by any agent of the Authority or the City for any of the above-mentioned items or in connection with the administration and enforcement of this Lease Agreement.

"County" shall mean the County of Cumberland, a body politic and corporate of the State.

"Debt Retirement Fund" shall mean the Fund so designated, created and established pursuant to Section 502(6) of the Indenture.

"Debt Service" for any period shall mean, as of any date of calculation, with respect to a particular Series of Bonds, including the Series 2024 Bonds, an amount equal to the sum of: (i) the interest accruing during such period on such Series of Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the Debt 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 immediately 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 original issuance of a particular Series of Bonds, whichever is later. Such interest and Principal Installments for such Series of Bonds shall be calculated on the assumption that no Bonds Outstanding at the date of calculation shall 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 thirty (30) day month and a three hundred sixty (360) day year.

"Debt Service Fund" shall mean the Fund so designated, created and established pursuant to Section 502(5) of the Indenture.

"Debt Service Requirement" with respect to the next Interest Payment Date for any Series of Bonds shall mean: (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; 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. The calculations in the preceding sentence shall be made on the basis of a thirty (30) day month and a three hundred sixty (360) day year.

"Default Interest" shall have the meaning given to such term in Section 308(2) of the Indenture.

"Default Interest Payment Date" shall have the meaning given to such term in Section 308(2) of the Indenture.

"Event of Default" shall mean a "default" or an "Event of Default" as defined in Section 8.01 hereof but not under the Indenture.

"Favorable Opinion of Bond Counsel" shall mean an opinion of Bond Counsel, addressed to the Authority, the City and the Trustee, to the effect that the action proposed to be taken is authorized or permitted by the Indenture, any Supplemental Indenture and the Act and will not adversely affect the exclusion of interest on such Series of Bonds from gross income for purposes of federal income taxation under Section 103 of the Code.

"Facilities Project" shall mean, together, the Initial Project and the 2024 Construction Project, to be located at the Project Site.

"Facility" shall mean the approximately 30,000 square foot Fire Station for use by the City Fire Department to be located at the Project Site.

"Fiduciary" or **"Fiduciaries"** shall mean the Trustee, the Paying Agent, the Bond Registrar, the dissemination agent pursuant to the Continuing Disclosure Agreement (as defined in Section 5.13 hereof), if any, or any or all of them, as may be appropriate.

"Fiscal Year" shall mean the respective twelve (12) month fiscal periods of the City or the Authority, as applicable.

"Fitch" shall mean Fitch Ratings, Ltd., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

"Fund" or **"Funds"** shall mean, as the case may be, each or all of the Funds created and established in Section 502 of the Indenture; provided, however, that such Funds do not constitute "funds" in accordance with generally accepted accounting principles.

"Indenture" shall mean the Indenture of Trust, dated as of _____ 1, 2024, by and between the Authority and the Trustee, in connection with the issuance of the Series 2024 Bonds and any Series of Refunding Bonds.

"Initial Authority Financing Fee" shall mean, with respect to: (i) the Series 2024 Bonds, one-eighth of one percent of the aggregate principal amount of the bonds, and as set forth in the Indenture; and (ii) any Series of Refunding Bonds, the amount specified in the applicable Supplemental Indenture authorizing such Series of Bonds.

"Interest Payment Date" shall mean, with respect to the Series 2024 Bonds, each _____ and _____, commencing _____, 20__, and such other dates as shall be established by a Supplemental Indenture authorizing a Series of Refunding Bonds. In the event an Interest Payment Date is not a Business Day, interest shall be paid on the next succeeding Business Day for interest accrued to the Interest Payment Date.

"Issue Date" shall mean, with respect to the Series 2024 Bonds, _____, 2024, and any Series of Refunding Bonds, the date on which the Trustee authenticates the applicable

Series of Bonds and on which such Bonds are delivered to the purchasers thereof upon original issuance.

"Lease Documents" shall mean this Lease Agreement, the Bond Resolution, the Lease Ordinance, the Indenture and all documents and instruments executed and delivered in connection herewith and therewith and all amendments and modifications thereto.

"Lease Ordinance" shall mean the ordinance adopted by the City on July 30, 2024, approving and authorizing the execution and delivery, among other things, of this Lease Agreement by the City and the performance of its obligations thereunder, including payment of Lease Payment obligations thereunder and Debt Service on any Bonds issued by the Authority, including the Series 2024 Bonds, entitled "AN ORDINANCE OF THE CITY OF BRIDGETON, IN THE COUNTY OF CUMBERLAND, NEW JERSEY APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT WITH THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY RELATING TO THE ISSUANCE OF UP TO $3,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE AUTHORITY'S CITY GENERAL OBLIGATION LEASE REVENUE BONDS (BRIDGETON FIRE STATION PROJECT) AND ANY NOTES ISSUED IN ANTICIPATION THEREOF BY THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY".

"Lease Payment" shall mean the sum of money representing principal and interest necessary to amortize Debt Service on the Series 2024 Bonds payable by the City on each Lease Payment Date, as set forth in Exhibit A annexed hereto and incorporated by this reference herein, as described in Section 5.02(A) hereof and redemption premium, if any, to the extent required to redeem the Series 2024 Bonds pursuant to Article IV of the Indenture and, as applicable, Additional Lease Payments payable by the City upon demand pursuant to Sections 5.02(A) and (B) hereof, respectively.

"Lease Payment Date" shall mean: (i) with respect to the Series 2024 Bonds, thirty (30) Business Days prior to the applicable Interest Payment Date, Principal Installment Date or Sinking Fund Installment due date, as the case may be; and (ii) such other dates determined in accordance with the Lease Agreement as may be set forth in a Supplemental Indenture authorizing any other Series of Refunding Bonds.

"Lease Term" shall mean the period during which this Lease Agreement is in effect as specified in Section 5.01 hereof.

"Month" shall mean a calendar month.

"Moody's" shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

"Operating Fund" shall mean the Fund so designated, created and established pursuant to Section 502(3) of the Indenture.

"Outstanding" when used with reference to Bonds, shall mean, as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Indenture except:

(i) Bonds canceled by the Trustee at or prior to such date;

(ii) Bonds (or portions of Bonds) for the payment of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, together with interest to accrue thereon to the date of maturity or redemption date, shall be held in an irrevocable trust under the Indenture and set aside for such payment or redemption (whether at or prior to the maturity date); provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as specified in Article IV of the Indenture;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII of the Indenture and as described in Section 1106 of the Indenture; and

(iv) Bonds deemed to have been paid as provided in Section 1201 of the Indenture.

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

"Prepayment" shall mean any amounts received as prepayments of Lease Payments pursuant to Section 5.05 hereof and any other agreement with respect to any Additional Project.

"Principal Installment" shall mean, as of any date of calculation, and with respect to a particular Series of Bonds, so long as any Bonds thereof are Outstanding: (i) the principal amount of such Series of Bonds 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 of Bonds, if any, plus the amount of the sinking fund redemption premium, if any, which would be applicable upon redemption of such Series of Bonds on such future date in a principal amount equal to such Sinking Fund Installments.

"Principal Installment Date" shall mean: (i) with respect to the Series 2024 Bonds, each _____, commencing _____, 20__; or (ii) such other date as set forth in a Supplemental Indenture authorizing any other Series of Refunding 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.

"Proceeds" shall mean any insurance, condemnation, performance bond, letter of credit, or any other financial guaranty proceeds paid with respect to the 2024 Project remaining after payment therefrom of all expenses incurred in the collection thereof and, with respect to insurance, if and at such time as the City elects to provide self-insurance under Section 7.05 of

this Lease Agreement, any moneys payable from any self-insurance fund of the City which may lawfully be expended for the purposes for which such self-insurance is provided.

"Proceeds Fund" shall mean the Fund so designated, established and created pursuant to Section 502(4) of the Indenture.

"Project Development Agreement" shall mean the Project Development and Management Agreement, dated the ___ day of _____, 2024, by and between the City and the Authority.

Project Site" shall mean 168 East Commerce Street in the City (Lot 1, Block 121).

"Rebate Fund" shall mean the Fund so designated, created and established pursuant to Section 502(7) of the Indenture.

"Record Date" shall mean: (i) with respect to the Series 2024 Bonds, _____ and _____ next preceding any Interest Payment Date, or such other date or dates as provided for in the Indenture; or (ii) such other dates as set forth in a Supplemental Indenture authorizing any other Series of Refunding Bonds.

"Refunding Bonds" shall mean any Bonds authenticated and delivered on original issuance pursuant to Section 205 of the Indenture, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII of the Indenture and as described in Section 1106 of the Indenture.

"Registered Owner" shall mean the Owner of any Bond which is issued in fully registered form, as determined on the Record Date, as reflected on 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 Bond Registrar.

"Series" shall mean all of the Bonds authenticated and delivered upon original issuance and pursuant to the Indenture and any Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III, Section 406 or after any action taken as provided in Articles XI and XII of the Indenture and as described in Section 1106 of the Indenture, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

"Series 2024 Bonds" shall mean all of the Bonds so designated, authenticated and delivered upon original issuance pursuant to the Bond Resolution and the Indenture and which are designated City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2024.

"Standard & Poor's" or **"S&P"** shall mean Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, a corporation organized and existing under the laws of the State of New York, and its successors and assigns, if any.

"State" shall mean the State of New Jersey or any successor to its duties and functions.

"Supplemental Indenture" shall mean any indenture of trust supplemental to or amendatory of the Indenture entered into by the Authority and the Trustee in accordance with Section 11 of the Indenture.

"Trustee" shall mean, with respect to the Series 2024 Bonds and any Series of Refunding Bonds issued under the Indenture, U.S Bank Trust Company, National Association, New Jersey, and its successors and assigns or any other bank, trust company or national banking association that at any time may be substituted in its place pursuant to the Indenture or appointed trustee pursuant to a Supplemental Indenture.

"Underwriter" shall mean the underwriter named in the bond purchase contract between the Authority and the underwriter, dated the date of sale of the Series 2024 Bonds.

"Yield" shall mean that yield which when used in computing the present worth of all payments of principal and interest on an obligation produces an amount equal to its purchase price. The Yield for the Bonds is to be computed in accordance with Treasury Regulations Section 1.148-4. The Yield on an investment is to be computed in accordance with Treasury Regulations Section 1.148-5.

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ARTICLE II

REPRESENTATIONS AND WARRANTIES

SECTION 2.01. City's Representations and Warranties. The City represents and warrants that:

(A) It is a duly formed and validly existing political subdivision of the State governed by the Constitution and laws of the State, with full power and legal right to enter into this Lease Agreement and to perform its obligations hereunder and under any other Lease Documents to which it is a party.

(B) The governing body of the City has duly and finally adopted the Lease Ordinance in accordance with applicable law and the Lease Ordinance is in full force and effect and has not been modified or rescinded prior hereto;

(C) The entering into of this Lease Agreement by the City and the performance of its obligations hereunder have been duly authorized by all necessary action of its governing body and does not violate or constitute, on the part of the City, a violation of, breach of or default under any agreement, indenture, mortgage, deed of trust, instrument or other document by which the City or any of its properties are bound or with respect to any law, statute, rule or regulation or, to the knowledge of the City, order of any court or governmental agency.

(D) This Lease Agreement constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms, subject to bankruptcy, insolvency or other similar laws or equitable principles affecting generally the enforcement of creditors' rights.

(E) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or, to the knowledge of the City, threatened, or any basis therefor, wherein an unfavorable decision, ruling or finding would: (i) result in any material adverse change in the financial condition, properties or operations of the City that would materially adversely affect the ability of the City to make Lease Payments; (ii) materially adversely affect the ability of the City to perform its obligations under this Lease Agreement; (iii) materially impair the 2024 Project; (iv) materially adversely affect the transactions contemplated by this Lease Agreement; or (v) adversely affect the validity or enforceability of the Series 2024 Bonds, the Bond Resolution, the Indenture, this Lease Agreement or any other documents related to the 2024 Project.

(F) Neither the execution and delivery of this Lease Agreement nor the fulfillment of or compliance with the terms and conditions contained herein is prevented, limited by, conflicts with or results in a breach of, the terms, conditions or provisions of: (i) any law, rule, regulation or, to the knowledge of the City, order of any court or governmental agency; or (ii) any agreement, instrument or evidence of indebtedness to which the City is bound, or constitutes a default under any of the foregoing. All consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the undertaking of the 2024 Project and the transactions contemplated hereby and by the other Lease Documents either have been obtained or are reasonably expected to be obtained in due course.

(G) All statements, representations and warranties made by the City in connection with the financing of the 2024 Project, the issuance of the Series 2024 Bonds, or the Lease Documents or in any other document, agreement, certificate or instrument delivered or to be delivered by the City in connection with any of the foregoing shall be true, correct and complete in all material respects at the time they were made and on and as of the date of issuance of the Series 2024 Bonds, and no information has been or will be omitted which would make any of the foregoing misleading or incomplete.

(H) There has been no material adverse change in the financial condition or operation of the City not reflected in any financial statement, certificate or any other document submitted by the City to the Authority.

(I) No legislation has been enacted which in any way adversely affects the execution and delivery of this Lease Agreement or the creation, organization or existence of the City or the titles to office of any officials thereof or the power of the City to carry out its obligations under this Lease Agreement.

(J) The City is not a party to any indenture, loan, any other agreement, resolution, contract, instrument, or subject to any restriction, which may reasonably be expected to have a material adverse effect on its properties, operations or conditions, financial or otherwise, or on its ability to carry out its obligations under this Lease Agreement.

(K) The City is not, as of the date hereof, in default or noncompliance in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party or by which it is bound or with respect to any law, statute, rule or regulation or, to the knowledge of the City, any judgment, writ, injunction or order of any court or governmental agency.

(L) The City has not taken and will not take any action and knows of no action that any other Person has taken or intends to take, which would cause this Lease Agreement to be invalid or unenforceable in whole or in part or which would cause the interest income on the Series 2024 Bonds to be includable in the gross income of the Holders thereof under the Code.

(M) The undertaking of the 2024 Project in the manner presently contemplated will not materially conflict with any current zoning, water, air pollution or other ordinances, orders, laws or regulations applicable thereto.

(N) The City shall annually levy the municipal tax rate on all property within the City in an amount sufficient and annually appropriate such amount for payment of its Lease Payment obligations hereunder (including, but not limited to, Debt Service on any Bonds issued by the Authority which are Outstanding under the Indenture, including the Series 2024 Bonds, and Additional Lease Payments).

(O) Any certificate signed by an Authorized City Representative and delivered to the Trustee or the Authority shall be deemed a representation and warranty by the City to the Trustee or Authority, as the case may be, as to the statements made therein.

SECTION 2.02. Authority Representations and Findings. The Authority hereby confirms its findings and represents that:

(A) It is a public body corporate and politic constituting an instrumentality of the State, duly organized and existing under the laws of the State, particularly the Act. The Authority is authorized to issue the Series 2024 Bonds in accordance with the Act and to use the proceeds from the sale of the Series 2024 Bonds to construct the 2024 Construction Project and to make the Lease to the City.

(B) The Authority has complied with the provisions of the Act and has full power and authority pursuant to the Act to consummate all transactions contemplated by this Lease Agreement, the Series 2024 Bonds, the Bond Resolution, the Indenture and any and all other agreements relating thereto and to issue, sell and deliver the Series 2024 Bonds as provided herein and in the Bond Resolution and the Indenture.

(C) Pursuant to the Bond Resolution duly adopted by the Authority and still in full force and effect, the Authority has duly authorized the execution, delivery and due performance of this Lease Agreement and the Series 2024 Bonds and the taking of any and all actions as may be required on the date hereof on the part of the Authority to carry out, give effect to and consummate the transactions contemplated by the Bond Resolution, the Series 2024 Bonds, the Indenture and this Lease Agreement. All approvals of the Authority necessary in connection with the foregoing have been received.

(D) The Series 2024 Bonds have been duly authorized, executed, issued, sold and delivered and constitute valid and binding limited and special obligations of the Authority, the principal of, redemption premium, if any, and interest on which are payable solely from the revenues and other moneys derived pursuant to this Lease Agreement and pledged therefor by the Indenture. The Series 2024 Bonds shall not be in any way a debt or liability of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property (as defined in the Indenture)) and, as applicable under and limited by this Lease Agreement, the City, and shall not create or constitute any indebtedness, liability or obligation of the State or of any political subdivision thereof other than the Authority (limited solely to the Pledged Property) and, as applicable under and limited by this Lease Agreement, the City, or be or constitute a pledge of the faith and credit of the State or of any political subdivision thereof other than, as applicable under and limited by this Lease Agreement, the City.

(E) The final adoption of the Bond Resolution and the execution and delivery of the Indenture, this Lease Agreement and the Series 2024 Bonds, and compliance with the provisions hereof and thereof, do not conflict with or constitute on the part of the Authority a violation of the Constitution of the State or a violation or breach of or default under its by-laws or any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the Authority is a party or by which the Authority is bound or, to the knowledge of the Authority, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of its activities or properties. All consents, approvals, authorizations and orders of governmental or regulatory authorities which are required to be obtained by the Authority for the consummation of the transactions contemplated hereby and thereby have been obtained.

(F) The Authority shall cause the 2024 Construction Project to be acquired and constructed in accordance with all federal, State and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality. The Authority shall acquire and complete the 2024 Construction Project and lease the same to the City pursuant to this Lease Agreement.

(G) The Authority shall apply the proceeds from the sale of the Series 2024 Bonds and the revenues derived under this Lease Agreement for the purposes specified and in the manner provided in this Lease Agreement and the Indenture.

(H) To the best knowledge of the Authority, there is no action, suit, proceeding or investigation at law or in equity, or before or by any court, public board or body pending or threatened against or affecting the Authority, or any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby, or which in any way would materially adversely affect the validity of the Series 2024 Bonds, the Bond Resolution, the Indenture, this Lease Agreement, or any other agreement or instrument to which the Authority is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby or the exemption from taxation as set forth herein.

(I) Any certificate signed by an Authorized Authority Representative and delivered to the Trustee or the City shall be deemed a representation and warranty by the Authority to the Trustee or City, as the case may be, as to the statements made therein.

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ARTICLE III

ISSUE OF SERIES 2024 BONDS; LEASE OF 2024 CONSTRUCTION PROJECT

SECTION 3.01. Issue of the Series 2024 Bonds. (A) The Authority shall issue, sell and deliver the Series 2024 Bonds in accordance with the terms of the Bond Resolution and the Indenture, subject to the execution of a bond purchase contract by and between the Authority and the Underwriter for the Series 2024 Bonds. The Authority, at the direction of the City shall issue Refunding Bonds in order to effectuate debt service savings for the City or to remove any restrictive covenants affecting the issuance of bonds.

(B) Upon original issuance of the Series 2024 Bonds, proceeds thereof, including accrued interest, if any, shall be paid to the Trustee and applied in accordance with an order of the Authority simultaneously with the delivery thereof as follows: (i) an amount equal to the accrued interest on the Series 2024 Bonds, if any, for deposit in the Debt Service Fund in an Account established for the Series 2024 Bonds; (ii) an amount representing costs of issuance on the Series 2024 Bonds, including the Initial Authority Financing Fee, for deposit in the Operating Fund and paid to the Authority in accordance with Section 505(2) of the Indenture; and (iii) the remaining Series 2024 Bond proceeds shall be deposited into the Acquisition Fund in an Account established for the Series 2024 Bonds and paid in accordance with Section 503 of the Indenture.

SECTION 3.02. Lease of the Project Site.

(A) The City hereby agrees to continue to lease the Project Site to the Authority, and the Authority hereby agrees to continue to lease the Project Site from the City, upon the terms and conditions which are set forth in that certain Lease Agreement, dated as of December 1, 2021, for the purpose of constructing the Facilities Project thereon for a period of time not longer than the Lease Term.

(B) Subject to the provisions of Section 9.07 hereof, the Lease Term shall commence on the date hereof and shall terminate at such time as all Bonds are no longer deemed to be Outstanding and all Lease Payments due and owing hereunder by the City shall have been paid in full, unless sooner terminated in accordance with the terms of this Lease Agreement for a reason other than the default of the City of any obligation hereunder, in which case, the Lease Term shall terminate on the date the Lease Agreement is so terminated.

(C) The City has heretofore obtained good and marketable title to the Project Site, free and clear of all liens, charges and encumbrances except for Permitted Encumbrances.

(D) During the Lease Term, the Authority may enter upon, occupy and use the Project Site in order to construct the 2024 Construction Project thereon.

(E) During the Lease Term, the Authority shall have peaceful and quiet use and possession of the Project Site without any hindrance or interference on the part of the City, except as otherwise provided in Section 3.03 hereof.

SECTION 3.03. Lease of the 2024 Construction Project. The Authority hereby agrees to lease the 2024 Construction Project to the City and the City hereby agrees to take and lease the 2024 Construction Project from the Authority during the Lease Term, on the terms and conditions which are set forth in this Lease Agreement. Pursuant to the terms of Section 3.02 hereof, the Authority has obtained a leasehold interest in the Project Site for a period which is at least equal to the Lease Term.

SECTION 3.04. Benefit of Bondholders. This Lease Agreement is executed in part to induce the purchase by others of the Bonds and, accordingly, all covenants, agreements and representations on the part of the City and the Authority, as set forth in this Lease Agreement, are hereby declared to be for the benefit of the Holders from time to time of the Bonds. As such, any of the Funds created under the Indenture and any moneys held therein shall be assigned by the Authority to the Trustee to secure repayment of the Bonds. The City, by execution hereof, consents to such assignment for the benefit of the Bondholders to secure repayment of the Bonds.

SECTION 3.05. Compliance with Indenture. The City covenants and agrees to do all things within its power to comply with and to enable the Authority to comply with all requirements of the Indenture, this Lease Agreement and any other Lease Documents to which the Authority is a party and to fulfill and to enable the Authority to fulfill all covenants of the Indenture and the Lease Documents.

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ARTICLE IV

ACQUISITION AND CONSTRUCTION OF THE 2024 CONSTRUCTION PROJECT

SECTION 4.01. Acquisition and Construction of 2024 Construction Project. (a) The Authority and the City have agreed that the Authority shall serve as project manager with respect to the construction of the 2024 Construction Project in accordance with all federal and State laws applicable thereto and in accordance with the terms and conditions of the Project Development Agreement. The City and the Authority agree that they shall use their respective best efforts to cause such construction of the 2024 Construction Project to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond its reasonable control only excepted; but if for any reason such acquisition and construction is delayed there shall be no diminution in or postponement of the amounts payable to the Authority by the City under this Lease Agreement.

(b) The Authority shall be responsible for the letting of contracts and for conducting the due diligence on the 2024 Construction Project, including appraisals, title work, environmental surveys, etc., and obtaining all consents, approvals, permits and the like in connection with or relating to the construction of the 2024 Construction Project.

(c) The City acknowledges that the Authority makes no warranties or representations and accepts no liabilities or responsibilities with respect to or for the adequacy, sufficiency or suitability of or defects in the 2024 Construction Project or any contracts or agreements with respect to the 2024 Construction Project. In no event shall the Authority be liable for any damages, incidental, direct, indirect, consequential or otherwise in connection with or arising out of the undertaking of the 2024 Project or this Lease Agreement.

SECTION 4.02. Deposits to Acquisition Fund. The net proceeds of the Series 2024 Bonds, less the proceeds deposited in the Debt Service Fund and the Operating Fund pursuant to the provisions of the Indenture and the written order of the Authority as to delivery of the Series 2024 Bonds pursuant to Section 202(1)(b) of the Indenture, will be deposited in the Acquisition Fund established under the Indenture and shall be used by the Authority for payment of Costs of the 2024 Construction Project or an Additional Project upon requisition by the Authority, which requisition shall be acknowledged and approved by the City (such approval not to be unreasonably withheld), as provided in Section 503 of the Indenture and Section 4.03 of this Lease Agreement. The Authority agrees that the sums so requisitioned from the Acquisition Fund will be used to pay the Costs of the 2024 Construction Project or an Additional Project. If for any reason the amount in the Acquisition Fund proves insufficient to pay all Costs of the 2024 Construction Project or an Additional Project, the City shall pay the remainder of such Costs in accordance with the provisions of Section 4.11 hereof. The Authority shall have the right to requisition payments from the Acquisition Fund upon compliance with the procedures set forth in this Section 4.02 and Section 4.03 hereof and Section 503 of the Indenture; provided that, during the continuance of an Event of Default (as defined in the Indenture), the Acquisition Fund shall be held for the benefit of Holders of the Series 2024 Bonds in accordance with the provisions of the Indenture and the Lease Documents.

SECTION 4.03. Payments From Acquisition Fund. The Authority has, in Section 503 of the Indenture, authorized and directed the Trustee to make payments from the

Acquisition Fund to pay the Costs of the 2024 Construction Project or an Additional Project, or to reimburse the Authority for any Cost of the 2024 Construction Project paid by it in accordance with a reimbursement resolution adopted by the Authority, upon receipt of a requisition signed by an Authorized Authority Representative and approved by an Authorized City Representative (which approval shall not be unreasonably withheld) stating with respect to each payment to be made: (i) the requisition number; (ii) that such payment is to be made from the Acquisition Fund; (iii) the name and address of the Person to whom payment is to be made by the Trustee, or if payment is to be made to the Authority for a reimbursable advance, the name and address of the Person to whom such advance was made together with proof of payment by the Authority; (iv) the amount to be paid, which amount represents the payment due to the Person referenced in clause (iii) above, or one hundred per centum (100%) of the payment previously made by the Authority; (v) the particular item of Cost to be paid to which the requisition relates; (vi) that each obligation, item of Cost or expense mentioned therein has been properly incurred, is an item of Cost of the 2024 Construction Project or an Additional Project, unpaid or unreimbursed, and is a proper charge against the Acquisition Fund and has not been the basis of any previously paid withdrawal or requisition; (vii) that the public contracts bidding and prevailing wage laws (including, but not limited to, those required pursuant to the Act), applicable to the contract pursuant to which payment is being requested have been complied with; (viii) if such payment is a reimbursement to the Authority for Costs or expenses incurred (a) by reason of work performed or supervised by officers or employees of the Authority and/or (b) as annual administrative costs associated with the implementation of the 2024 Construction Project, that the amount to be paid does not exceed the actual cost thereof to the Authority; (ix) that no uncured Event of Default has occurred under this Lease Agreement or the Indenture; (x) the Authority has not received notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under such requisition to any of the Persons named therein or, if any of the foregoing has been received, it has been released or discharged or will be released or discharged upon payment of the requisition; and (xi) in the event there are not sufficient funds available to pay such requisition from the maturity of any Investment Securities, instructions specifying the Investment Security or Securities which should be liquidated for the payment thereof. The Authority agrees with the City as a condition precedent to the disbursement of any portion of the Acquisition Fund to comply with the terms of this Lease Agreement and the Indenture and to furnish the Trustee with a requisition form substantially in the form set forth as Exhibit B annexed hereto and incorporated by this reference herein.

SECTION 4.04. Cooperation in Furnishing Documents. The City agrees to cooperate with the Authority in furnishing to the Trustee any documents that are required to effect payments out of the Acquisition Fund in accordance with Section 4.03 hereof and Section 503 of the Indenture. Such obligation is subject to any provisions of the Indenture requiring additional documentation with respect to such payments and shall not extend beyond the moneys in the applicable Account in the Acquisition Fund available for payment under the terms of the Indenture.

SECTION 4.05. Completion Date. Upon completion of the 2024 Construction Project or an Additional Project, the Authority shall deliver to the Trustee and the City the Authority's Completion Certificate, the form of which is annexed hereto as Exhibit C and incorporated by this reference herein, which completion certificate shall be acknowledged and approved by the City (such approval not to be unreasonably withheld) and which Completion

Certificate shall evidence completion of the 2024 Construction Project or an Additional Project, and in compliance with the provisions of Section 503(4) of the Indenture shall state: (i) that such 2024 Construction Project or Additional Project is complete or has been substantially completed; (ii) the date of such completion of the 2024 Construction Project or Additional Project; (iii) the Cost of all labor, services, materials and supplies used in the 2024 Construction Project or Additional Project have been paid or will be paid from amounts retained by the Trustee, at the Authority's direction, for any Cost of the 2024 Construction Project or an Additional Project and the amount, if any, required, in the opinion of the signer or signers, for the payment of any remaining part of the Cost of such 2024 Construction Project or Additional Project or any portion thereof, not then due and payable or, if due and payable, not yet paid; (iv) the 2024 Construction Project or Additional Project is an authorized "project" under the Act; and (v) all permits, including a Certificate of Occupancy, if required, necessary for the utilization of the 2024 Construction Project or Additional Project have been obtained and are in effect. Notwithstanding the foregoing, the Authority's Completion Certificate may state that it is given without prejudice to any rights against third parties which exist at the date of the Completion Certificate or which may subsequently come into being. Any amount remaining in the Acquisition Fund thereafter (except for amounts therein sufficient to cover Costs of the 2024 Construction Project or an Additional Project, not then due and payable or not then paid) shall be applied by the Trustee in the manner set forth in Section 503(4) of the Indenture. If for any reason the amount in the Acquisition Fund proves insufficient to pay all Costs of the 2024 Construction Project or an Additional Project, the City shall pay the remainder of such Costs in accordance with the provisions of Section 4.11 hereof.

SECTION 4.06. Bonds Not to Become Arbitrage Bonds. As provided in Article VI of the Indenture, the Trustee will invest moneys held by the Trustee as directed by the Authority, in writing, upon written request from the City. The City hereby covenants to the Authority and to the Holders of the Series 2024 Bonds that, notwithstanding any other provision of this Lease Agreement or any other instrument, it will neither make, instruct the Authority to make nor require the Trustee to make any investment or other use of the Acquisition Fund or other proceeds of the Series 2024 Bonds which would cause the Series 2024 Bonds to be arbitrage bonds under Section 148 of the Code, and that it will comply with the requirements of such Section throughout the term of the Series 2024 Bonds.

SECTION 4.07. Restriction on Use of Acquisition Fund. The Authority and the City shall not use or direct the use of moneys from the Acquisition Fund in any way, or take or omit to take any other action, so as to cause the interest on any Series 2024 Bonds to become subject to federal income tax.

SECTION 4.08. Due Diligence Requirement. Except to the extent otherwise approved by a Favorable Opinion of Bond Counsel, such opinion being paid for by the City and addressed to the Trustee, the Authority and the City, and being satisfactory to the City, the Authority shall reasonably expect to have completed the 2024 Project with due diligence and caused all of the proceeds of the Series 2024 Bonds to be expended for Costs of the 2024 Project or to be transferred from the Acquisition Fund and applied as described in Section 4.09 hereof and Section 503(4) of the Indenture within three (3) years of the date of issuance of the Series 2024 Bonds.

SECTION 4.09. Completion of 2024 Construction Project or Additional Project; Excess Bond Proceeds. When the Authority certifies to the Trustee and the City, in the

manner provided in Section 4.05 hereof and in Section 503(4) of the Indenture, that the construction of the 2024 Construction Project or an Additional Project is complete, excess Bond proceeds remaining in the Acquisition Fund shall be applied by the Trustee, at the written direction of an Authorized City Representative, in accordance with the provisions of Section 503(4) of the Indenture. If for any reason the amount in the Acquisition Fund proves insufficient to pay all Costs of the 2024 Construction Project or an Additional Project, the City shall pay the remainder of such Costs in accordance with the provisions of Section 4.11 hereof.

SECTION 4.10. Default in Performance. If there is an event of default by any contractor or any party under any contract made in connection with the 2024 Construction Project or an Additional Project, the Authority will promptly proceed, either separately or in conjunction with others, to exhaust the remedies against the party so in default and against each surety for the performance of such party. The Authority agrees to advise the City, in writing, of the steps it intends to take in connection with any such default. The Authority may, in good faith, with the approval of the City and at the cost and expense of the City, prosecute or defend any action or proceeding or take other action involving any such party which the Authority deems reasonably necessary and which may be required for the successful completion of the 2024 Construction Project or an Additional Project, and in such event, the City hereby agrees to cooperate fully with the Authority. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be deposited into the Acquisition Fund and shall be used to complete the 2024 Construction Project or an Additional Project or shall be deposited into the Proceeds Fund and shall be applied by the Trustee as a credit toward the City's Lease Payments in accordance with the provisions of Section 507 of the Indenture, as shall be determined in accordance with written instructions from the City.

SECTION 4.11. Sufficiency of Bond Proceeds; Completion of the 2024 Project. (A) The City agrees that the proceeds of sale of the Series 2024 Bonds will be sufficient to pay the estimated Costs of the 2024 Project. In the event the Costs of the 2024 Project shall exceed the amount available in the Acquisition Fund from such Series 2024 Bond proceeds, the City is obligated to pay, as additional payments under Section 5.02(B)(ii) hereof, such sums as may be required to pay the Costs of the 2024 Project in excess of the amount available from the proceeds of the sale of the Series 2024 Bonds out of funds legally available therefor. Payment of such additional amounts shall be made by the City at the time or times and in the amount or amounts required for the payment of such excess Costs as the same become due and payable. Such additional moneys shall be paid by the City to the Trustee for deposit in the Acquisition Fund and the Trustee shall pay the Costs thereof in accordance with the procedures outlined in Section 4.03 hereof.

(B) In the event the City pays to the Trustee sums needed to fund the balance of the Costs of the 2024 Project in accordance with the provisions of Section 4.11(A) hereof, the City shall complete Exhibit E attached hereto to reflect: (i) the amount of moneys to be withdrawn from the Acquisition Fund to pay the Costs of the 2024 Project; (ii) the amount of money forwarded to the Trustee by the City for deposit in the Acquisition Fund to make up the deficiency in such Costs of the Project; (iii) the total Cost of the item being requisitioned; and (iv) such other information required to be completed therefor as contained as Exhibit E, which certificate shall be completed by the City, approved by the Authority and filed with the Trustee.

ARTICLE V

TERM AND PAYMENTS

SECTION 5.01. Lease Term. This Lease Agreement shall remain in full force and effect from the date hereof until the date on which the principal or Redemption Price of and interest on the Bonds and any and all other Costs of the Authority with respect to the 2024 Project shall have been fully paid or provision for the payment thereof shall have been made as provided in the Indenture, and the City shall have satisfied and performed all other covenants, agreements and obligations made or undertaken by the City under this Lease Agreement, at which time the Authority shall release and cancel this Lease Agreement.

The payment obligations created under this Lease Agreement are direct, general, irrevocable and unconditional obligations of the City payable from any source legally available to the City, including, without limitation, the general tax revenues of the City, and the City shall, if necessary, levy *ad valorem* taxes upon all the taxable property within the jurisdiction of the City for the payment of such obligations, without limitation as to rate or amount.

SECTION 5.02. Payments. (A) Lease Payments. The City agrees to repay the Lease in an amount which is equal to that portion of the principal of, redemption premium, if any, and interest on the Bonds. The City agrees to pay to the Trustee, in immediately available funds, at the address shown on Exhibit F annexed hereto and incorporated by this reference herein or at such other address as the City may be notified, on each Lease Payment Date, an amount in accordance with the schedule of Lease Payments set forth in Exhibit A annexed hereto and incorporated by this reference herein, which will equal the City's Lease Payment obligation which is to be applied to the Debt Service payable on the Series 2024 Bonds on the immediately succeeding Interest Payment Date and/or Principal Installment Date, as applicable; provided, however, that with respect to the Lease Payments required to be paid pursuant to this Section 5.02, no Lease Payments shall be payable on any Lease Payment Date to the extent the Debt Service payable on such Lease Payment Date shall be paid or provided for under the Indenture from the proceeds of the Bonds designated therefor by the Authority or from the income derived from the investment of amounts in the Funds or other amounts available in the Debt Service Fund established by and maintained under the Indenture.

(B) Additional Lease Payments. In addition to the Lease Payments required by paragraph (A) of this Section 5.02, the City agrees to pay the following additional amounts to the Trustee:

(i) The City shall pay to the Trustee, as the same shall become due and payable at any time during the Lease Term, on any Lease Payment Date or thirty (30) days after demand by the Trustee, such sums as represent Additional Lease Payments including, but not limited to, Authority Administrative Expenses and any other amounts due hereunder, as shall have been submitted by the Authority, in writing, to the Trustee, with a copy to the City. Specifically, but not by way of limitation, the City agrees to pay to, or upon the order of, the Authority (a) on or before the Issue Date, the Initial Authority Financing Fee with respect to the Series of Bonds being issued by the Authority; and (b) on each anniversary of the Issue Date with respect to each Series of Bonds until such time as such Series of Bonds are no longer Outstanding, the Annual Authority Administrative Fee;

(ii) The City shall pay to the Trustee amounts required to be paid by the City pursuant to Section 4.11 hereof; and

(iii) in the event the City fails to make any Lease Payment or Additional Lease Payment in accordance with the provisions of this Section 5.02 on its due date, the City shall pay interest (to the extent permitted by State law) on such overdue Lease Payment or Additional Lease Payment at the highest rate per annum borne by any of the Bonds until paid, which interest shall be paid directly to the Authority.

(C) Payment Credits. Pursuant to the provisions of the Indenture, the City shall be notified annually by the Trustee, in writing, of: (i) the amounts arising from investment earnings, not later than January 1 of each year; (ii) the amounts deposited in the Debt Service Fund from the Acquisition Fund representing excess Bond proceeds of the any series of Bonds pursuant to Section 4.09 hereof and Section 503(4) of the Indenture, not later than January 1 of each year; (iii) proceeds of any insurance award as a result of damage or condemnation of the 2024 Construction Project pursuant to Sections 7.06 and 7.07 hereof; and (iv) all other amounts deposited in the Debt Service Fund pursuant to the provisions of this Lease Agreement and the Indenture to be applied as a credit toward the City's Lease Payment obligations, not later than January 1 of each year. In the event a dispute arises between the Authority and the City with respect to the amount of the Lease Payments due and owing by the City or the amount of credits to be applied toward the Lease Payments of the City, such dispute shall be resolved by the Authority, exclusively in reliance upon information and statements provided by the Trustee to the Authority, and the Trustee shall have no obligation with respect thereto (except to the extent that the Trustee is obligated to provide statements showing such information). The City is obligated to pay all amounts which constitute Lease Payments as set forth in Exhibit A hereto and Additional Lease Payments which are due under this Lease Agreement, less any payment credits provided by the terms of this subsection (C).

SECTION 5.03. Application/Assignment of Payments. (A) The Lease Payments provided for in paragraph (A) of Section 5.02 hereof and any Additional Lease Payments provided for in clauses (i) and (ii) of paragraph (B) of Section 5.02 hereof shall be paid to and assigned to the Trustee for the account of the Authority and applied as provided in this Lease Agreement and the Indenture.

(B) The interest, if any, due thereon pursuant to clause (iii) of paragraph (B) of Section 5.02 hereof shall be paid directly to the Authority.

SECTION 5.04. Obligations Unconditional. The obligations of the City to make payments required under Section 5.02 hereof and all other payments required under this Lease Agreement, as well as to perform its other obligations under this Lease Agreement, shall be absolute and unconditional without counterclaim, recoupment, defense or set-off by reason of any default by any party under any contract for the 2024 Construction Project or by the Authority under this Lease Agreement or under any other agreement, if any, between the City and the Authority. Except as may be expressly provided herein or in the Indenture, such payments shall not be decreased, abated, postponed or delayed for any reason whatsoever including, without limiting the generality of the foregoing, failure to commence or complete the 2024 Construction Project, any acts or circumstances that may constitute failure of consideration, destruction of or

damage to the 2024 Construction Project, the taking of any part of the 2024 Construction Project, frustration of purpose, failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Lease Agreement, it being the intention of the parties that the payments required of the City hereunder will be paid in full when due without any delay or diminution whatsoever. Notwithstanding the above, any payment made under protest by the City to the Authority shall be made without prejudice to the right of the City to proceed against the Authority, or the defaulting party as a result of the foregoing.

Notwithstanding anything in this Lease Agreement to the contrary, pursuant to and in accordance with the Lease Ordinance, the cost and expense of the performance by the City of its obligations under this Lease Agreement and the incurrence of any liabilities of the City under this Lease Agreement including, without limitation, the obligation for the payment of all Lease Payments and all other amounts required to be paid by the City under this Lease Agreement is a direct and general obligation for which the full faith and credit of the City is hereby pledged, which obligation is not subject to City appropriation and, unless the Lease Payments and such other amounts required to be paid by the City under this Lease Agreement are paid from other sources, the City shall be obligated to levy *ad valorem* taxes on all taxable property within the jurisdiction of the City without limitation as to rate or amount.

SECTION 5.05. Prepayments. To the extent the Bonds are subject to redemption under the Indenture, the City shall have the option to prepay in full or in part the unpaid balance of the Lease, together with the Redemption Price, if any, on the Bonds, and accrued interest to the redemption date, upon written notice to the Trustee and the Authority of its intention to prepay the Lease, which notice shall comply, in all respects, with the provisions of Sections 402 and 405 of the Indenture. The City shall pay to the Trustee the amount of the Prepayment on a date at least thirty (30) days prior to the redemption date identified in the notice referred to herein for deposit by the Trustee in the Debt Retirement Fund to be applied to the redemption of the applicable series of Bonds in accordance with Section 509 of the Indenture.

In addition, pursuant to Section 205 of the Indenture and Section 301 herein, the Authority, at the direction of the City shall issue Refunding Bonds in order to effectuate debt service savings for the City or to remove any restrictive covenants affecting the issuance of bonds.

SECTION 5.06. Payment on Termination of Lease Agreement. The Authority agrees that, upon termination of this Lease Agreement, after first deducting any moneys due to the Authority for the Authority Administrative Expenses incurred or accruing or for the Annual Authority Administrative Fee, or due to the Fiduciaries for fees and expenses of the same, and so long as no Series 2024 Bonds remain Outstanding and payment therefor has been provided for in full, the Authority shall direct the payment to the City of all moneys or securities held by the Trustee for the account of the Authority pursuant to the Indenture and this Lease Agreement. If such expenses are not fully met from such payment by the Trustee to the Authority, the City shall immediately reimburse the Authority therefor.

SECTION 5.07. Indemnification of Authority. Both during the Lease Term and thereafter, to the extent permitted by State law, the City shall indemnify and hold the Authority harmless against, and the City shall pay, any and all liability, loss, cost, damage,

claims, judgment or expense, of any and all kinds or nature and however arising: (i) other than as a result of the gross negligence or willful misconduct of the Authority, its members, professionals, officers, agents, servants or employees, which the Authority 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 mixed, or upon or arising out of contracts entered into by the Authority relating to the 2024 Construction Project, or arising out of the use, operation or maintenance of the 2024 Construction Project pursuant to this Lease Agreement; or (ii) other than as a result of the gross negligence or willful misconduct of the Authority, its members, professionals, officers, agents, servants or employees, out of or caused by any untrue or misleading statement of a material fact relating to the City in Appendix A of the Official Statement, dated __, 2024, prepared in connection with the issuance of the Series 2024 Bonds ("Official Statement") or any omission of any material fact relating to the City in Appendix A in the Official Statement. It is mutually agreed by the City and the Authority that neither the Authority nor its members, professionals, officers, agents, servants or employees shall be liable in any event for any action performed or omitted to be performed under this Lease Agreement and that the City shall save the Authority harmless from any claim or suit of whatsoever nature arising hereunder except for such claims or suits arising as a result of the Authority's active negligence or willful misconduct. This provision shall survive the end of the Lease Term and the final maturity of the Series 2024 Bonds.

The City, 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, its members, professionals, officers, agents, servants or employees relating to the performance of its obligations hereunder; but this provision shall not be deemed to relieve any insurance company which has issued a policy of insurance as may be provided for in this Lease Agreement from its obligation to defend the City, the Authority, the Trustee and any other insured named in such policy of insurance in connection with claims, suits or actions covered by such policy. The Authority and the City agrees that each shall give the opposing party and the Trustee prompt notice, in writing, of the its actual and/or constructive knowledge of the filing of each such claim and the institution of each such suit or action.

The Authority agrees that it:

(i) shall give the City prompt notice, in writing, of the Authority's actual and/or constructive knowledge of the filing of each such claim and the institution of each such suit or action;

(ii) shall not, without the prior written consent of the City, adjust, settle or compromise any such claim, suit or action; and

(iii) shall permit the City to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action. Notwithstanding the foregoing, the City shall keep the Authority informed as to the progress of any suit, claim or action, and the City shall not reach a final settlement, adjustment or compromise without the Authority's prior approval, which approval shall not be unreasonably withheld.

Any cost for attorneys' fees in situations where it is necessary for the Authority to engage its own attorneys, experts' testimony costs and all costs to defend the Authority or any of its members, professionals, officers, agents, servants or employees with respect to matters arising hereunder shall be paid to the Authority by the City and shall constitute an Additional Lease Payment pursuant to Section 5.02(B)(i) hereof.

SECTION 5.08. Nature of Obligations of the Authority. The cost and expense of the performance by the Authority of any of its obligations under this Lease Agreement shall be limited to the availability of the proceeds of the Series 2024 Bonds of the Authority issued for such purposes or from other funds received by the Authority under this Lease Agreement and available for such purposes.

SECTION 5.09. Financial Reports. The City covenants to provide annually to the Authority and the Trustee within sixty (60) days after the same become available: (i) current financial statements; (ii) as evidence of appropriation, the adopted budget for the ensuing Fiscal Year; and (iii) such other financial information relating to the ability of the City to continue to meet its obligations under this Lease Agreement as may be reasonably requested by the Authority and/or the Trustee. In addition, the City shall provide any and all financial and other reporting filings necessary or required to satisfy its continuing disclosure obligations in accordance with that certain Continuing Disclosure Agreement, date the date of issuance of the Series 2024 Bonds, between the City and Acacia Financial Group, Inc, as dissemination agent thereunder, in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time, including administrative or judicial interpretations thereof (the "Rule").

SECTION 5.10. Performance Bonds and Other Financial Guaranty. To the extent required in connection with the undertaking of the 2024 Construction Project, the Authority shall cause all customary performance bond or bonds, letter of credit or other form of financial guaranty to be executed by a responsible surety company qualified to do business in the State and shall in each case be in an amount not less than one hundred percent (100%) of the contract price. Any performance bond, letter of credit or other form of financial guaranty provided pursuant to this Section 5.10 shall be made payable to the City, the Authority and the Trustee, as their respective interests may appear. The Proceeds from any performance bond provided pursuant to this Section 5.10 shall be paid over to the Trustee for deposit into the Proceeds Fund and may be applied toward the Costs of the 2024 Project or as a credit toward the Lease Payment obligations of the City hereunder in accordance with the provisions of Section 506(1) and (2) of the Indenture.

SECTION 5.11. Net Lease Agreement. This Lease Agreement shall be deemed and construed to be a "net Lease Agreement", and the City shall pay absolutely net during the Lease Term the Lease Payments and all other payments required under this Lease Agreement, free of all deductions, without abatement, diminution and set-off, except as otherwise specifically provided for hereunder.

SECTION 5.12. City Notice; Appropriation for Lease Payments. The City shall provide to the Authority and the Trustee, on an annual basis as long as any Debt Service payments on the Series 2024 Bonds remain unpaid, within five (5) Business Days after the

adoption of a temporary appropriation and/or the filing of the annual budget, as introduced by the City, with the Division of Local Government Services, a certificate of the Chief Financial Officer of the City ("Budget Certificate") certifying that the temporary appropriation and/or the annual budget contains a line item which represents an amount due under this Lease Agreement for all Lease Payment obligations due from the City during the City's Fiscal Year (including, but not limited to, Debt Service on the Series 2024 Bonds and Additional Lease Payments) and evidencing the tax levy at least equal to that amount per $100 of equalized assessed value of property within the City which shall be sufficient to pay all Lease Payment obligations due from the City (including, but not limited to, Debt Service on the Series 2024 Bonds and Additional Lease Payments) and which shall be deposited in the general fund of the City. Such Budget Certificate shall have attached a copy of the page of the temporary appropriation and/or the annual budget on which the line item appears and evidencing the tax levy at least equal to that amount per $100 of equalized assessed value of property within the City which shall be sufficient to pay all City Lease Payment obligations hereunder (including, but not limited to, Debt Service on the Series 2024 Bonds and Additional Lease Payments) and which shall be deposited in the general fund of the City. The City shall also provide to the Trustee and the Authority, within five (5) Business Days thereof, notice of any revisions to such line item. In the event such Budget Certificate is not received by the Trustee within sixty (60) days following the beginning of the City's Fiscal Year or the Trustee has actual knowledge that the City has revised its budget without submitting a Budget Certificate or that the tax levy is not sufficient to pay all City Lease Payment obligations hereunder (including, but not limited to, Debt Service on the Series 2024 Bonds and Additional Lease Payments), the Trustee shall promptly notify the Authority of such event(s) and the Authority may take immediate action to cause all Lease Payments to be timely paid by the City. For the purposes of this Section 5.12, 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 5.13. Secondary Market Disclosure. The City covenants that, as it is an Obligated Person pursuant to Rule with respect to any series of Bonds, it will execute and deliver a Continuing Disclosure Agreement to be entered into withAcacia Financial Group, Inc., Mount Laurel, New Jersey, acting as dissemination agent ("Continuing Disclosure Agreement"), which Continuing Disclosure Agreement will set forth the obligation of the City to file budgetary, financial and operating data on an annual basis and notices of certain enumerated material events as required to comply with and in accordance with the provisions of the Rule.

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ARTICLE VI

SPECIAL COVENANTS

SECTION 6.01. Compliance with Laws and Regulations. The City will, at its own cost and expense, promptly comply with, or cause to be complied with, all laws, rules, regulations and other governmental requirements, which may be applicable to the City, the Facilities Project or the use or manner of use of the Facilities Project provided that the City shall not be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings and will not result in a material, adverse detriment to the Facilities Project and provided further that such contest will not result in a forfeiture or reversion of title. The City will also observe and comply with the requirements of all policies and arrangements of insurance at any time in force with respect to the Facilities Project provided that the City shall not be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings and provided further that it will not result in a material, adverse detriment to the Facikities Project or result in a forfeiture or reversion of title.

SECTION 6.02. Covenant Against Waste. The City covenants not to do or suffer or permit to exist any waste, damage, disfigurement or injury to, or public or private nuisance upon, the Facilities Project.

SECTION 6.03. Right of Inspection. The City covenants and agrees to permit the Authority and the authorized agents and representatives of the Authority to inspect the Facilities Project at all reasonable times during regular business hours for the purpose of inspecting same, upon not less than twenty-four (24) hours prior notice from the Authority, except that entry may be made at any time without notice in the event of an emergency.

SECTION 6.04. Condition of the Facilities Project. The Authority makes no representations whatsoever in connection with the condition of the Facilities Project, and the Authority shall not be liable for any defects therein.

SECTION 6.05. Assignment of Lease Agreement by the City. This Lease Agreement may not be assigned in whole or in part by the City without the prior written consent of the Authority and upon receipt by the Authority of a Favorable Opinion of Bond Counsel to the effect that any such assignment shall not adversely affect the exclusion from federal income taxation of interest on the Outstanding Bonds. No such disposition or assignment shall relieve the City from primary liability for any of its obligations hereunder, and in the event of any such disposition or assignment the City shall continue to remain solely liable for the payments specified in this Lease Agreement and for performance and observance of the other agreements on its part herein provided.

SECTION 6.06. Sale, Lease or Sublease. (A) The City shall not sell, exchange, transfer, lease or sublease the Facilities Project, or any portion thereof or interest therein, without: (i) the prior written consent of the Authority, which request by the City for such consent by the Authority to any such conveyance shall include written documentation that the procedures outlined in paragraph (B) below have been complied with; and (ii) the receipt by the Authority of a Favorable Opinion of Bond Counsel to the effect that such sale, exchange, transfer, lease or

sublease will not adversely affect the exclusion from federal income taxation of interest on the Outstanding Bonds. No sale, exchange, transfer, lease or sublease shall have any adverse effect upon this Lease Agreement or affect or reduce the City's obligations hereunder or thereunder.

(B) In the event of a conveyance, through sale, exchange, transfer or other disposition, of title to or a lesser interest in any lands acquired by the City with the proceeds of the Bonds, the City shall evidence compliance with the provisions of *N.J.S.A.* 40:12-15.4, and any amendments thereto, or any successor statute, including: (i) the conduct by the City of at least one public hearing on such conveyance; (ii) a finding contained in a resolution adopted by the governing body of the City that any land previously acquired by the City is required for another public use; (iii) any land conveyed or exchanged must be replaced by land of at least equal fair market value and of reasonably equivalent usefulness, size, quality and location to the land being conveyed or exchanged; and (iv) that any such conveyance or exchange must be made in accordance with the provisions of the Local Lands and Buildings Law (*N.J.S.A.* 40A:12-1 *et seq.*), as amended, or any applicable successor statute.

(C) Any moneys received by the City from the conveyance or exchange of any such lands undertaken in accordance with the provisions hereof shall be deposited in the Debt Service Fund held by the Trustee and shall be applied as a credit toward the City's Lease Payment obligations in accordance with the provisions of Sections 508 of the Indenture and used to pay Debt Service on the Bonds.

SECTION 6.07. Cooperation by the City. The City, by notice in writing signed by an Authorized City Representative, shall keep the Authority informed of anticipated needs for money to pay the Cost of the 2024 Project and the City shall give the Authority its full cooperation and assistance in all matters relating to financing of the Cost of the 2024 Project.

The City agrees that it shall provide and certify, or cause to be provided and certified, in form satisfactory to the Authority, such information concerning the City and the 2024 Project, the operations and finances of the City and such other matters necessary to enable the Authority to complete and publish an Official Statement relating to the sale of a series of Bonds, if any, or to enable the Authority to make any reports required by law or governmental regulations.

SECTION 6.08. Full Faith and Credit Pledge. The City unconditionally and irrevocably pledges its full faith and credit and covenants to exercise its unlimited taxing powers for the punctual payment of the Lease Payments under this Lease Agreement in an amount necessary to pay the principal and redemption premium, if any, of and the interest on the of the Bonds, and all other amounts due under this Lease Agreement according to the terms hereof.

SECTION 6.09. Compliance With Laws. The parties to this Lease Agreement agree to comply with all laws of the State or other governmental bodies or entities having jurisdiction over the City, the Project or this Lease Agreement and applicable to the performance of this Lease Agreement.

SECTION 6.10. Covenant not to Affect the Tax-Exempt Status of the Series 2024 Bonds. The City hereby covenants not to take or omit to take any action so as to cause interest on the Bonds to be no longer excluded from gross income for the purposes of federal

income taxation and to otherwise comply with the requirements of Section 103 and 141 through 150 of the Code, and all applicable regulations promulgated with respect thereto, throughout the term of the Bonds. The City further covenants that it will make no investment or other use of the proceeds of the Bonds which would cause the Series 2024 Bonds to be "arbitrage bonds" (as defined in Section 148 of the Code). The City further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable. The City further covenants not to cause the Bonds to become "private activity bonds" (within the meaning of Section 141 of the Code).

SECTION 6.11. Affirmative Covenants. So long as the Bonds remain Outstanding, the City shall, unless the Authority shall otherwise consent in writing:

(a) Preserve and maintain its legal existence, rights, franchises and privileges.

(b) Comply with the requirements of all applicable laws, rules, regulations, ordinances and orders of any governmental authority, the non-compliance with which would reasonably be expected to materially and adversely affect its operations or financial condition, provided that the City shall not be required to so comply during the period when the need to so comply is being contested in good faith and by proper proceedings.

(c) Maintain and preserve, or cause to be maintained and preserved, in good working order and condition (the latter to the extent applicable) the Facilities Project or any portion thereof necessary or useful in the proper conduct of its operation.

(d) Maintain and keep in effect or cause to be maintained and kept in effect any approvals, licenses, permits and similar documents necessary in the proper conduct of its operations at or related to the Facilities Project.

(e) Acquire, operate, use and maintain the Facilities Project in accordance with all applicable federal, State and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter including, but not limited to, the Americans With Disabilities Act, workers' compensation, sanitary, safety, non-discrimination and zoning laws, ordinances, rules and regulations as shall be binding upon the City and which might adversely affect its activities or its financial condition.

(f) Furnish to the Authority and the Trustee the following:

(i) no later than sixty (60) days after the receipt and acceptance thereof by the City, a detailed audit report for the preceding Fiscal Year, certified by certified independent public accountants selected by the City, presenting the City's revenues and expenses at the close of the preceding Fiscal Year and the results of its operations during said Fiscal Year; and

(ii) as soon as possible, and in any event within five (5) days, after the occurrence of each Event of Default (as such term is defined herein pursuant to Section 8.01 hereof) hereunder within the knowledge of the City, or each event within the knowledge of the

City which, with the giving of notice or lapse of time, or both, would constitute an Event of Default hereunder, a statement of an Authorized City Representative setting forth details of such Event of Default or event(s) and the action which the City proposes to take with respect thereto.

(g) Raise moneys in the annual tax levy to be applied to and deposited in the general fund of the City, as shall be sufficient to make the Lease Payments hereunder to enable the Authority to amortize Debt Service on the Bonds as long as the same are Outstanding.

SECTION 6.12. Delivery of Documents. Concurrently with the delivery of this Lease Agreement and the issuance of a series of Bonds, the City shall cause to be delivered to the Authority each of the following items:

(i) opinions of City Solicitor and City Bond Counsel in form and substance satisfactory to the Authority;

(ii) counterparts of this Lease Agreement as previously executed by the parties hereto;

(iii) copy of the Lease Ordinance of the governing body of the City authorizing the execution and delivery of this Lease Agreement and related applicable matters, certified by an Authorized City Representative, together with the record of proceedings thereof;

(iv) the Lease Documents duly executed by the respective parties thereto;

(v) copy of the Continuing Disclosure Agreement; and

(vi) such other certificates, documents, opinions and information as the Authority may reasonably require in connection with the execution, delivery and implementation of this Lease Agreement, the financing of the 2024 Project and the issuance of the Bonds.

SECTION 6.13. Information. The City agrees, whenever reasonably requested by the Authority or the Trustee, to provide and certify or cause to be provided and certified such information concerning the Project, the City and its financial condition, and other topics as the Authority may reasonably request and, further, the City assures that the records and accounts of the City shall at all reasonable times be subject to inspection and use of the Authority and the Trustee and their respective agents and attorneys.

SECTION 6.14. Rebate Covenant. (A) Within forty-five (45) days of the end of each fifth anniversary date of the issuance of the Bonds, the Authority shall retain or cause the City to retain a firm of certified public accountants or a financial consulting firm which is experienced in the calculation of the amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code or the penalty amount in lieu of rebate elected by the Authority under Section 148(f)(4)(C)(vii) of the Code ("Financial Consultant"), to compute the amount rebatable or payable as a penalty to the United States of America, if any, and will cause to be delivered to the Trustee an opinion of such Financial Consultant concerning its conclusions with respect to the amount rebatable or payable as a penalty to the United States of

America, together with a written summary of the calculations thereof. The City shall pay to the Trustee at such times as required under the Code an amount equal to the amount rebatable or payable as a penalty to the United States of America for deposit by the Trustee into the Rebate Fund. To the extent the amounts on deposit in the Rebate Fund as of any date of computation are less than the amount rebatable or payable as a penalty to the United States of America, the City shall immediately pay the amounts necessary to the Trustee for deposit in the Rebate Fund.

(B) The amounts in the Rebate Fund shall be applied at the times and in the amounts required under the Code solely for the purpose of paying the United States of America in accordance with Section 148(f) of the Code.

(C) With respect to the Bonds, the City covenants and agrees that it will comply with the requirements of the Code relating to the investment restrictions on the proceeds of the Bonds and the calculation of the amount rebatable or payable as a penalty to the United States of America and payment thereof under the Code.

(D) The Authority shall have the right at any time and from time to time, in its sole and absolute discretion, to obtain from the City and the Trustee the information necessary to determine the amount to be paid to the United States. Additionally, the Authority may: (i) review or cause to be reviewed any determination of the amount to be paid to the United States made by or on behalf of the City; and (ii) make or retain a Financial Consultant to make the determination of the amount to be paid to the United States of America. The City hereby agrees to be bound by any such review or determination, to pay the costs of such review including, without limitation, the reasonable fees and expenses of any professional including, but not limited to, counsel or Financial Consultants retained by the Authority, and to pay to the Trustee any additional amounts for deposit in the Rebate Fund required as the result of any such review or determination.

(E) Notwithstanding any provision of this Section 6.14 to the contrary, the City shall be liable, and shall indemnify and hold the Authority harmless against any liability, for payments due to the United States pursuant to Section 148(f) of the Code. Further, the City specifically agrees that the Authority shall not be held liable, or in any way responsible, for any mistake or error in the filing of the payment or the determination of the amount due to the United States of America or for any consequences resulting from any such mistake or error, unless such mistake or error is due to the gross negligence or willful misconduct of the Authority.

(F) The Authority and the City recognize that the provisions of this Section 6.14 are intended to comply with Section 148 of the Code and if, as a result of a change in such Section of the Code or in the interpretation thereof, a change in this Section 6.14 shall be permitted or necessary to assure continued compliance with Section 148 of the Code, then with written notice to the Trustee, the Authority and the City shall be empowered to amend this Section 6.14 and the Authority may require, by written notice to the City and the Trustee, the City to amend, and the City hereby agrees to consent to, comply with and be bound by any such amendment to this Section 6.14 to the extent necessary or desirable to assure compliance with the provisions of Section 148 of the Code; provided that either the Authority or the Trustee shall require, prior to any such amendment becoming effective, at the sole cost and expense of the City, a Favorable Opinion of Bond Counsel satisfactory to the Authority to the effect that either (i) such amendment is required to maintain the exclusion from gross income under Section 103

of the Code of interest paid and payable on the Bonds or (ii) such amendment shall not adversely affect the exclusion from gross income under Section 103 of the Code of interest paid or payable on the Bonds.

(G) Notwithstanding anything herein or in the Indenture to the contrary, the obligations of the City under the provisions of this Section 6.14 shall survive the payment, redemption or defeasance of the Bonds until the expiration of all statutes of limitations applicable to the Authority with respect to the Bonds and Section 148 of the Code.

SECTION 6.15. Negative Covenants. So long as the Bonds remain Outstanding, the City shall not, without the written consent of the Authority:

(a) Amend, modify, terminate or supplement, or permit the amendment, modification, termination or supplementation of, this Lease Agreement.

(b) With respect to any part of the Facilities Project, enter into any management or operating contract with a term greater than twelve (12) months with any entity or Person, without the prior written consent of the Authority.

(c) Permit any action to occur which would be in direct violation of any and all applicable federal, State and municipal laws, ordinances, rules and regulations now in force or hereinafter enacted, including the Act and regulations of the Authority promulgated thereunder and the regulations of the State Department of Environmental Protection.

SECTION 6.16. Third Party Beneficiaries. The City agrees that the covenants, representations and warranties set forth herein are for the benefit of the Authority, Bondholders and the Trustee.

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ARTICLE VII

INSURANCE; DAMAGE, DESTRUCTION AND CONDEMNATION

SECTION 7.01. Operation, Maintenance and Repair. During the Lease Term, the City shall be responsible for maintaining, preserving and keeping the Facilities Project in good repair, working order and condition and protect the same from deterioration and for making all necessary repairs and replacements thereto in compliance with the requirements of applicable laws, ordinances and regulations and the requirements of any insurance or self-insurance program required under Section 7.05 hereof. During the Lease Term, the City shall be responsible for paying for any and all costs it incurs for its obligations contained in this Section 7.01.. Neither the Authority nor the Trustee shall have any obligation in any of these matters, for the payment of any costs associated with the maintenance, preservation, repair or upkeep of the Facilities Project or for the making of improvements or additions to the Facilities Project.

SECTION 7.02. Utilities, Taxes and Governmental Charges. The City will pay or cause to be paid any and all charges for the operation and maintenance of the Facilities Project including, but not limited to, as applicable, water, electricity, light, heat or power, sewage, utility service, rendered or supplied upon or in connection with the 2024 Construction Project during the Lease Term.

In addition, the City shall: (i) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any federal, State or any municipal government upon the Authority or the City with respect to or upon the Facilities Project, or any part thereof, or upon any payments hereunder when the same shall become due; (ii) duly observe and comply with all valid requirements of any governmental authority relative to the Facilities Project; (iii) not create or suffer to be created any lien or charge upon the Facilities Project, or any part thereof, or upon the payments in respect thereof pursuant to this Lease Agreement; and (iv) pay or cause to be discharged or make adequate provision to satisfy and discharge, within sixty (60) days after the same shall come into force, any lien or charge upon the Facilities Project, or any part thereof, or upon any payments hereunder and all lawful claims or demands for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon any payments hereunder. The City shall, to the extent permitted by law, undertake all reasonable action necessary to obtain and preserve the legal exemption of the Facilities Project from the levy of taxes and assessments.

SECTION 7.03. Additions, Enlargements and Improvements. (A) The City shall, with the prior written approval of the Authority, have the right at any time and from time to time during the Lease Term, at its own cost and expense, to make such enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Facilities Project as the City shall deem necessary or desirable in connection with the use of the 2024 Construction Project; provided, however, that prior to making any such enlargements, improvements and expansions to, or repairs, reconstruction or restorations of, the 2024 Construction Project, the City shall obtain all necessary permits and approvals relating to the 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 operation, maintenance or value of the Facilities Project. The cost of any such

additions, enlargements, improvements, expansions, repairs, reconstruction or restorations shall be promptly paid or discharged so the Facilities Project shall at all times be free of liens for labor and materials supplied thereto.

SECTION 7.04. Additional Rights of the City. The Authority agrees that the City shall have the right, option and privilege of erecting, installing and maintaining at its own cost and expense such equipment and personalty in or upon the FacilitiesProject as may, in the City's judgment, be necessary and advisable for its purposes. It is further understood and agreed that anything erected or installed under the provisions of this Section 7.04 shall be and remain the personal property of the City and shall not become part of the Facilities Project, and may be removed, altered or otherwise changed as long as such removal does not cause substantial damage to the Facilities Project, upon or before the termination of this Lease Agreement.

SECTION 7.05. Insurance. With respect to the Facilities Project, or any portion thereof, as the case may be, the City hereby assumes the entire risk of loss thereof from any and every cause whatsoever including, but not limited to, damage to or the destruction of the Facilities Project, or any portion thereof, by fire or any other casualty or the taking of title to or the temporary use of the Facilities Project, or a portion thereof, as the case may be, or the interest of the City therein under the exercise of the power of eminent domain by any governmental body *de jure* or *de facto* or by any Person, firm or corporation acting under governmental authority. At its own expense, the City shall cause casualty, public liability and all-risk property damage insurance to be carried and continuously maintained, or shall demonstrate (upon request) to the satisfaction of the Authority that adequate self-insurance is provided with respect to the Facilities Project sufficient in the aggregate to cover the full replacement cost of the Facilities Project or to pay the applicable value thereof, and to protect the Authority and the Trustee from liability in all events. Any casualty or property damage insurance policies shall include a standard non-contribution mortgagee clause in favor of and satisfactory to the Trustee and any liability insurance shall be for the benefit of the Trustee and the Authority as named insureds, as their interests may appear. All policies shall require that not less than thirty (30) days' written notice of cancellation or material change will be given to the Trustee. The Authority and the Trustee agree to accept allocated value blanket insurance policies, provided however, that any casualty or property damage insurance policies maintained pursuant to this Section 7.05 shall be so written or endorsed as to make losses, if any, with respect to the Facilities Project payable to the Trustee and applied as provided in Sections 7.06 or 7.07 hereof, as applicable. The City will provide a copy of a blanket insurance policy or policies to the Authority as evidence of such coverage. If the City maintains a program of self-insurance for similar properties, the City may insure the Facilities Project in its self-insurance program and provide an adequate insurance fund to pay losses.

The City agrees to deliver annually to the Authority and the Trustee not later than December 15 of each year a certificate dated as of December 1 of such year setting forth not less than the following: (i) a schedule of all insurance policies then in effect, including the names of the insurance companies, the risks covered, the periods for which such policies are in effect and the amounts of any coverage and the deductibles, if any; (ii) if certain risks are covered by self-insurance programs of the City, a schedule identifying what risks are so covered; and (iii) a statement that all such insurance policies or self-insurance programs comply with the provisions of this Section 7.05 and are in full force and effect.

The Trustee shall promptly notify the Authority if such certificate is not received by December 31 of each year. All insurance policies shall be held by the City and shall be open to the inspection of the Trustee and its representatives at all reasonable times, although absent contrary directions from the Authority, no such inspection shall be required of the Trustee. The net proceeds of the insurance required in this Section 7.05 shall be applied as provided in Sections 7.06 and 7.07 hereof.

SECTION 7.06. Damage or Destruction. The City agrees to immediately notify the Authority and the Trustee in the case of damage to or destruction of the Facilities Project (or any portion thereof) resulting from fire or other casualty during the Lease Term. So long as no Event of Default has occurred and is continuing hereunder, the City may, with the prior consent of the Authority (which consent shall not be unreasonably withheld), either: (i) repair, reconstruct and restore the Facilities Project (or any portion thereof) or request the Authority to repair, reconstruct and restore the Facilities Project (or any portion thereof) at the City's cost and expense; or (ii) undertake an Additional Project, subject to the conditions set forth in Section 7.03 of this Lease Agreement and Section 503 of the Indenture. In such event, the City shall proceed forthwith to either repair, reconstruct and restore the Facilities Project (or any portion thereof), or request the Authority to repair, reconstruct and restore the Facilities Project (or any portion thereof) at the City's cost and expense, to substantially the same condition as existed prior to the event causing such damage or destruction or undertake an Additional Project in accordance with the provisions of this Section 7.06. As long as no Event of Default has occurred and is continuing hereunder, any such net proceeds of insurance relating to such damage or destruction shall be deposited in the Acquisition Fund and applied by the Trustee, and used as directed by the City, for the payment of the Cost of such repair, reconstruction and restoration or such Additional Project, in the same manner and upon the same conditions as set forth in the Indenture for the payment of the Cost of the Facilities Project. Any proceeds of insurance remaining following the repair and restoration of the Facilities Project or the undertaking of any Additional Project shall be transferred by the Trustee upon written direction of an Authorized City Representative, as approved by an Authorized Authority Representative, and applied as a credit toward Lease Payments of the City in accordance with the provisions of Section 503(2) of the Indenture. The City shall complete the repair, reconstruction and restoration of the Facilities Project (or any portion thereof) or the undertaking of any Additional Project, whether or not the proceeds of the insurance proceeds received by the City are sufficient to pay for the same.

In the event the Authority does not consent to the repair, reconstruction and restoration of the Facilities Project (or portion thereof) or the undertaking of any Additional Project pursuant to the terms of this Section 7.06 then, in such event, the City shall be under no obligation to repair, reconstruct and restore the Facilities Project (or portion thereof) or to undertake such Additional Project and the net proceeds of insurance relating to such damage or destruction shall be deposited in the Debt Service Fund and applied by the Trustee in accordance with the provisions of the Indenture with respect thereto.

If an Event of Default has occurred and is continuing hereunder, any such proceeds of insurance shall be deposited with the Trustee in the Debt Service Fund and shall be applied by the Trustee in accordance with the provisions of Section 903 of the Indenture.

SECTION 7.07. Condemnation. This Lease Agreement and the interest of the City in the 2024 Construction Project (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 City hereby irrevocably assigns to the Authority, all right, title and interest of the City in and to the net proceeds of any award, compensation or taking during the Lease Term. Such award shall be initially paid to the Authority for disbursement as hereinafter provided.

So long as no Event of Default has occurred and is continuing hereunder, the City shall use the net proceeds of the award made in connection with such condemnation or taking for replacement of the 2024 Construction Project (or such portion thereof) or undertaking an Additional Project and the City shall proceed forthwith to replace the 2024 Construction Project (or such portion thereof) or undertake such Additional Project. In such event, any such net proceeds shall be deposited in the Acquisition Fund for application by the Trustee to pay the Cost of such replacement or the undertaking of such Additional Project, in the same manner and upon the same conditions set forth in the Indenture for the payment of the Cost of the 2024 Construction Project (or such portion thereof). Any proceeds of an award remaining following replacement of the 2024 Construction Project (or such portion thereof) or undertaking any Additional Project as provided herein shall be transferred by the Trustee upon written direction of an Authorized City Representative, as approved by an Authorized Authority Representative, and applied as a credit toward Lease Payments of the City in accordance with the provisions of Section 503(2) of the Indenture. The City shall complete the replacement of the 2024 Construction Project (or such portion thereof) or the undertaking of any Additional Project, whether or not the net proceeds of the condemnation award which are received by the City are sufficient to pay for same.

If an Event of Default has occurred and is continuing hereunder, any such condemnation award shall be deposited with the Trustee in the Debt Service Fund and shall be applied by the Trustee in accordance with Section 903 of the Indenture.

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ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.01. Events of Default. An "Event of Default" or a "default" shall mean, whenever such word or words are used in this Lease Agreement, any one or more of the following events:

(a) Failure by the City to pay or cause to be paid when due the payments required to be paid under Section 5.02(A) hereof;

(b) Failure by the City to pay when due any payments (other than payments under Section 5.02(A) hereof) to be made under this Lease Agreement, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the City by the Authority or the Trustee;

(c) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed (other than as referred to in subsections (a) and (b) of this Section 8.01), which failure shall continue for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, is given to the City by the Authority or the Trustee, unless the notifying party shall agree, in writing, to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the notifying party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is remedied; and provided further that the failure of the City to comply with the provisions of Section 5.13 hereof or the Continuing Disclosure Agreement shall not constitute an event of default hereunder;

(d) The entering of an order or decree appointing a receiver with the consent or acquiescence of the City or the entering of such order or decree without the acquiescence or consent of the City if it shall not be vacated, discharged or stayed within sixty (60) days after its entry; or

(e) A petition is filed by or against the City under any federal or State bankruptcy or insolvency law or other similar law in effect on the date of this Lease Agreement or thereafter enacted, unless in the case of any such petition filed against the City such petition shall be dismissed within thirty (30) days after filing and such dismissal shall be final and not subject to appeal; or the City shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee) of the City or any of its property shall be appointed by court order or take possession of the City's property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

The foregoing provisions of subsection (c) of this Section 8.01 are subject to the following limitations: if by reason of acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of the government of the United States or of the State or any department, agency, political subdivision or official of either of them, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, blizzards, or other storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, partial or entire failure of utilities, or any cause or event not reasonably within the control of the City, the City is unable, in whole or in part, to carry out its agreements herein contained, the City shall not be deemed in default during the continuance of such inability. The City agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements, provided that the settlement of strikes, lockouts and other disturbances shall be entirely within the discretion of the City, and the City shall not be required to make settlement of strikes, lockouts and other disturbances by acceding to the demands of an opposing party or parties when such course is, in the judgment of the City, unfavorable to the City.

If any Event of Default described in this Section 8.01 shall have occurred, and if no acceleration of the amounts payable hereunder shall have been declared pursuant to Section 8.02 hereof, and all amounts then due and payable hereunder are paid by the City and the City also performs all other things in respect of which it may have been in default hereunder and pays any reasonable charges of the Authority and the Trustee, including reasonable attorneys' fees (or, in the case of a failure by the City to make a payment of the Annual Authority Administrative Fee, if the Authority shall extend the time for making such payment), then, and in every such case, such Event of Default shall be deemed to have been cured and the parties hereto shall be restored to their former respective positions; but no such curing of an Event of Default shall extend to or affect or constitute a waiver of any subsequent Event of Default or impair any right or remedy consequent thereon.

Notwithstanding the above, an Event of Default under this Article VIII shall not be construed as an Event of Default under the Indenture.

SECTION 8.02. Acceleration and Annulment Thereof; Opportunity to Cure Default.

(A) If any Event of Default occurs hereunder, the Authority and the Trustee may, with the prior consent and direction of the 51% or more of the Holders of the Series 2024 Bonds, declare all amounts payable during the Lease Term in respect of the unpaid principal balance of the Loan made hereby, together with all interest accrued and all other amounts then payable to the Authority or the Trustee, to be immediately due and payable; and upon such declaration the said principal amount shall become due and payable immediately, anything in the Indenture, the Bonds or this Lease Agreement to the contrary notwithstanding.

(B) If, after such declaration, all amounts due, which were due and payable prior to such declaration, are paid by the City and the City also performs all other things in respect of which it may have been in default hereunder and pays the reasonable charges of the Authority and the Trustee, including reasonable attorneys' fees, then, and in every such case, the Authority, by notice to the City and the Trustee, and subject to the provisions of the Indenture, may annul such declaration and its consequence and the City, the Authority and the Trustee shall

be restored to their respective former positions and rights under the Indenture; but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon. Upon such payment and annulment, this Lease Agreement shall be fully reinstated as if it had never been accelerated.

SECTION 8.03. Payments by the City. (A) If an Event of Default referred to in Section 8.01(a) hereof shall have happened and be continuing and there remains outstanding Lease Payments which have not been paid by the City to the Trustee pursuant to the terms of this Lease Agreement (which determination shall be made by the Trustee as at the close of business on any Lease Payment Date), the Trustee, on behalf of the Authority, shall notify the Chief Financial Officer of the City or its designee, an Authorized City Representative and the Authority, in writing, not later than 4:00 p.m. of the first Business Day after such Lease Payment Date, of the failure of the City to pay its Lease Payment on the Lease Payment Date, which notice shall state the amount of any such deficiency as at the close of business on the Lease Payment Date and that such deficiency must be cured no later than the next ensuing Interest Payment Date and Principal Installment Date, as applicable. The Authority and the Trustee shall undertake all diligent efforts to pursue the City and cause it to pay all amounts due and owing to the Authority under this Lease Agreement prior or subsequent to an Interest Payment Date and Principal Installment Date, as applicable.

(B) When written notice has been provided to the City by the Trustee as described above, the City shall take all actions necessary and permitted by law to make payment of an amount equal to the deficiency owed, which amount, when added to available amounts on deposit in the Debt Service Fund, shall be sufficient to pay the principal of and interest on the Bonds due on the next ensuing Interest Payment Date and Principal Installment Date, as applicable.

SECTION 8.04. Remedies. Upon the occurrence of an Event of Default hereunder, the Authority may exercise any one or more of the remedies available to it under the terms of this Lease Agreement, any other agreement, or now or hereafter existing at law or in equity or by statute separately or concurrently and as often as required to enforce the City's obligations hereunder. In addition to the other remedies provided in this Lease Agreement, the Authority shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, by the City of any of the covenants, conditions or provisions of this Lease Agreement, and to a decree compelling specific performance of any such covenants, conditions or provisions.

In case of any proceeding of the Authority wherein appointment of a receiver may be permissible, the Authority, as a matter of right and immediately upon institution of each proceeding, upon written notice to the City, shall be entitled to appointment of a receiver, with such powers as the court making such appointment can confer. Upon demand, the City shall pay to the Authority all expenses, including receiver's fees, costs and agent's compensation, incurred pursuant to the provisions of this Section 8.04 and all such expenses shall be secured by this Lease Agreement.

SECTION 8.05. Cumulative Rights; No Implied Waiver. No remedy conferred upon or reserved to the Authority or the Trustee by this Lease Agreement 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 Lease Agreement, any other agreement, or now or hereafter existing at law or in equity or by statute. No delay, omission or waiver by the Authority or the Trustee of any breach by the City of any of its obligations, agreements or covenants hereunder, shall be deemed a waiver of any subsequent breach, and no delay or omission to exercise any right or power 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.

SECTION 8.06. Duty to Mitigate Damages. The Authority and the Trustee shall exercise reasonable action and diligence to mitigate damages if an Event of Default shall occur hereunder.

SECTION 8.07. Employment of Attorneys. If the Authority and the Trustee, in accordance with the terms of the Indenture or this Lease Agreement, or as reasonably determined by such party, shall require and employ attorneys or incur other expenses for the collection of payments due or to become due or the enforcement or performance or observance of any obligation or agreement on the part of the City herein contained, the City shall, on demand thereof, pay to the Authority or the Trustee, as applicable, the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Authority or the Trustee, or any of them.

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ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Successors and Assigns. This Lease Agreement shall inure to the benefit of the City, the Authority and the Trustee and their respective successors and assigns and shall be binding upon the City, the Authority and the Trustee and their respective successors and assigns; provided, however, that the City may only assign this Lease Agreement in accordance with Section 6.05 hereof.

SECTION 9.02. Amendments, Changes and Modifications. Except as otherwise provided in this Lease Agreement and the Indenture, subsequent to the issuance of the Series 2024 Bonds and prior to payment or provision for the payment of all Bonds in full and any other obligations incurred by the Authority to pay the Cost of the 2024 Project, including interest, premiums and other charges, if any, thereon, and payment or provision for the payment of Authority Administrative Expenses, this Lease Agreement may not be amended, changed, modified, altered or terminated so as to adversely affect the interests of the Holders of the Series 2024 Bonds without the prior written consent of the Holders of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of the Outstanding Bonds, the consent of the Holders of which is required for any such amendment, change, modification, alteration or termination or to decrease the amount of any payment required to be made under this Lease Agreement or extend the time of payment thereof. This Lease Agreement may be amended, changed, modified and altered without the prior written consent of the Holders of the Bonds to provide necessary changes only to cure any ambiguity, correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions contained herein, in connection with the issuance of Refunding Bonds pursuant to the Indenture and applicable Supplemental Indenture or to provide other changes which will not adversely affect the interests of such Holders. No other amendment, change, modification, alteration or termination of this Lease Agreement shall be made other than pursuant to a written instrument signed by the Authority and the City and in accordance with the Indenture and this Lease Agreement. Copies of any amendments to this Lease Agreement shall be filed with the Trustee.

For all purposes of this Section 9.02, the Trustee shall be entitled to rely upon a Favorable Opinion of Bond Counsel with respect to the extent, if any, as to which any action adversely affects the interests of any Holders of Bonds then Outstanding.

SECTION 9.03. Amounts Remaining Under Indenture. Upon expiration of the Lease Term, it is agreed by the parties hereto that any amounts remaining in any Fund or Account created under the Indenture, after payment in full of the Bonds (or provisions for payment thereof having been made in accordance with the provisions of the Indenture) and the fees, charges and expenses of the Trustee, the Paying Agent and the Authority in accordance with the Indenture and this Lease Agreement, shall belong to and be paid to the City pursuant to Section 512 of the Indenture. Notwithstanding the above, if the Bonds shall have been defeased in accordance with Section 1201 of the Indenture, unclaimed funds remaining under the Indenture pursuant to Section 1202 thereof shall be released to the Authority free and clear of the lien and pledge of the Indenture.

SECTION 9.04. Counterparts. This Lease 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 9.05. Headings. The Article and Section headings in this Lease Agreement are inserted for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease Agreement.

SECTION 9.06. Non-Waiver. It is understood and agreed that nothing contained in this Lease 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 Lease Agreement.

SECTION 9.07. Survival of Lease Agreement. Notwithstanding anything else to the contrary herein, the provisions of Sections 2.01(N), 4.08, 5.08, 6.10 and 6.14 hereof shall survive the expiration of the Lease Term and the final maturity of the Series 2024 Bonds.

SECTION 9.08. Assignment. This Lease Agreement may not be assigned by the City except as provided in Section 6.05 hereof.

SECTION 9.09. Severability. Any provision of this Lease Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any such jurisdiction.

SECTION 9.10. Applicable Law. This Lease Agreement shall be deemed to be a contract made in the State and governed by the laws of the State.

SECTION 9.11. Notices. All notices, consents, approvals and statements (including statements of amounts due hereunder) required to be given or authorized to be given by either party pursuant to this Lease Agreement shall be in writing, and shall be sent by facsimile transmission (with written confirmation of receipt and hard copy to follow in a manner described below) or shall be sent by personal delivery, registered or certified mail or recognized overnight delivery to the main office of the other party, at the following address:

If to the Authority:

The Cumberland County Improvement Authority
745 Lebanon Road
Millville, New Jersey 08332
Attention: President/Chief Executive Officer

With Copy to Bond Counsel:

Parker McCay P.A.
2 Cooper Street, Suite 1901
Camden, New Jersey 08101
Attention: Jeffrey D. Winitsky, Esquire

If to the City:

City of Bridgeton
181 East Commerce Street
Bridgeton, New Jersey 08302
Attention: Chief Financial Officer

If to the Trustee:

U.S. Bank Trust Company, National Association
333 Thornall Street, 4th Floor
Edison, New Jersey 08837
Attention: Corporate Trust Department

or to such other representatives or addresses as the Authority, the City or the Trustee may designate, in writing.

Any such notice shall be effective on the third Business Day following the mailing thereof, or upon the date of receipt, whichever is earlier.

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IN WITNESS WHEREOF, the Authority has caused this instrument to be signed by its Chairman as its duly authorized officer and its official seal to be hereunto affixed and the City has caused this instrument to be executed in its name by its Chief Financial Officer and its official seal to be hereunto affixed, all as of the day and year first above written.

THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

By:_____
GERARD VELAZQUEZ, III
President/CEO

ATTEST

_____

(SEAL)

CITY OF BRIDGETON, NEW JERSEY

By:_____

Chief Financial Officer

ATTEST

_____

(SEAL)

EXHIBIT A

LEASE PAYMENT SCHEDULE

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

PARKER McCAY

Parker McCay P.A.
9000 Midlantic Drive, Suite 300
P.O. Box 5054
Mount Laurel, New Jersey 08054-1539

P: 856.596.8900
F: 856.596.9631
www.parkermccay.com

October __, 2024

The Cumberland County Improvement Authority
745 Lebanon Road
Millville, New Jersey

RE: $_____ THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY, CITY GENERAL OBLIGATION LEASE REVENUE BONDS (BRIDGETON FIRE STATION PROJECT), SERIES 2024

Members of the Board:

We have served as Bond Counsel to The Cumberland County Improvement Authority ("Authority") in connection with the issuance and sale of the above referenced obligation ("Series 2024 Bonds").

The Series 2024 Bonds are 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 of New Jersey ("State") (*N.J.S.A.* 40:37A-44 *et seq.*), and the acts amendatory thereof and supplemental thereto ("Act"); (ii) a bond resolution of the Authority, duly adopted on August 28, 2024 ("Bond Resolution"); and (iii) a Trust Indenture, dated as of October 1, 2024 ("Indenture"), between the Authority and U.S. Bank Trust Company, National Association. Capitalized terms, not otherwise defined herein, shall have the meanings ascribed thereto in the Indenture, unless the context clearly requires otherwise.

The Series 2024 Bonds are being issued by the Authority to provide funds for: : (i) the costs of the undertaking and completing further capital improvements to the approximately 30,000 square foot new fire station facility ("Facility") located on certain real property ("Project Site") owned by the City of Bridgeton, New Jersey ("City"); (ii) the costs of furnishing and equipping the Facility; (iii) all other costs and expenses necessary for or related to the development, construction and equipping of the Facility; (iv) capitalized interest on the Series 2024 Bonds; and (v) the costs of issuance with respect to the financing (collectively, the "2024 Project").

Pursuant to an existing Lease Agreement, dated December 1, 2021 ("Existing Lease"), between the Authority and the City, the Authority has leased the Project Site from the City and, thereupon, shall develop and construct the Facility on behalf of the City. The Authority shall lease the Facility to the City pursuant to and in accordance with a Lease Agreement, dated as of October 1, 2024 (the "Lease Agreement"), between the Authority, as lessor, and the City, as lessee.

Pursuant to the Lease Agreement, the City will make certain Lease Payments (as defined in the Lease Agreement) to the Authority in an aggregate amount equal to the principal, redemption premium, if any, and interest on the Series 2024 Bonds as well as applicable Additional Lease Payments (as defined in the Lease Agreement) as the same become due and payable on each Lease Payment Date (as defined in the Lease Agreement).

The Series 2024 Bonds are special and limited obligations of the Authority payable solely from the Revenues and secured by a lien on the Pledged Property (as defined in the Indenture) of the Authority and from any other moneys pledged therefor under the Indenture. "Revenues" are defined in the Indenture to mean: (i) all amounts, including Lease Payments, received by the Authority from the City under the Lease Agreement (except for Additional Lease Payments), and any other agreement with respect to any Additional Project; (ii) any moneys or securities held pursuant to the Indenture and paid or required to be paid into the Debt Service Fund; (iii) any payments made by the City to the Authority pursuant to the Indenture; (iv) interest received on any moneys or Investment Securities held under the Indenture (other than in the Rebate Fund) and required to be paid into the Revenue Fund pursuant to the Indenture; and (v) 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 pursuant to a Supplemental Indenture. "Pledged Property" is defined in the Indenture to mean: (i) the Revenues; (ii) the Funds and Accounts established under the Indenture (other than the Rebate Fund), including Investment Securities held in any such Funds or Accounts; and (iii) all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of and interest on the Series 2024 Bonds in accordance with the terms and provisions of the Indenture.

The City's obligation to make Lease Payments is a general obligation authorized pursuant to a Lease Ordinance, duly and finally adopted by the City on July 30, 2024 ("Lease Ordinance"). Pursuant to the Lease Ordinance, the City is unconditionally and irrevocably obligated to levy *ad valorem* taxes upon all taxable real property within the City without limitation as to rate or amount when required under the provisions of applicable law and the Lease Agreement for the payment, when due, of the Lease Payments.

The Series 2024 Bonds are dated October __, 2024, mature on December 1 in each of the years and in the principal amounts set opposite each such year in the table below and bear interest at the interest rates per annum below, payable initially semi-annually June 1 and December 1, commencing June 1, 2025, in each year until maturity or earlier redemption.

Year	**Principal Amount**	**Interest Rate**	**Year**	**Principal Amount**	**Interest Rate**
2025	$	%	2035	$	%
2026			2036		
2027			2037		
2028			2038		
2029			2039		
2030			2040		
2031			2041		
2032			2042		
2033			2043		
2034			2044		

The Series 2024 Bonds are issued in fully registered book-entry-only form in the form of one certificate for each maturity of the Series 2024 Bonds. The Series 2024 Bonds are subject to optional redemption prior to maturity in the manner and upon the terms and conditions set forth in the Indenture.

As Bond Counsel to the Authority, we have examined the Bond Resolution, the Indenture, the Lease Agreement and such statutes of the State and such resolutions of the Authority and proceedings relating thereto as we have deemed necessary to enable us to render the opinions set forth below. We have also examined and relied upon the proceedings authorizing the issuance of the Series 2024 Bonds and the execution and delivery of the Lease Agreement, and certain certifications and agreements (including a Certificate as to Nonarbitrage and Other Tax Matters ("Nonarbitrage Certificate") executed by the Authority and the City with respect to the Series 2024 Bonds) intended to satisfy certain provisions of the Internal Revenue Code of 1986, as amended ("Code"), and applicable Treasury Regulations, rulings and court decisions, receipts and other documents which we have considered relevant. We have also examined a specimen Series 2024 Bond and have relied on certifications as to the execution and authentication of the Series 2024 Bonds. We have assumed that all documents, records and other instruments examined by us are genuine, accurate and complete and we have not undertaken to verify the factual matters set forth in any certificates or other documents by independent investigation.

Based upon and subject to the foregoing, we are of the following opinion:

1. The Authority has been duly created and is validly existing under the provisions of the Constitution and the laws of the State, including the Act, and has full right and lawful authority to issue the Series 2024 Bonds for the purpose of financing the costs of the 2024 Project and to adopt or execute, as appropriate, and deliver and perform its obligations under the Bond Resolution, the Indenture and the Lease Agreement.

2. The Bond Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority, enforceable in accordance with its terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, moratorium or other laws or other legal or equitable principles affecting the enforcement of creditors' rights generally ("Creditors' Rights Limitations").

3. The Indenture and the Lease Agreement have each been duly authorized, executed and delivered by the Authority and, assuming that: (i) the Indenture has been duly authorized and delivered by the Trustee and constitutes a legal, valid and binding obligation of the Trustee; and (ii) the Lease Agreement has been duly authorized, executed and delivered by the City and constitutes a legal, valid and binding obligation of the City, the Indenture and the Lease Agreement are each legal, valid and binding obligations of the Authority, enforceable against the Authority in accordance with the respective terms thereof, except to the extent that enforcement thereof may be limited by Creditors' Rights Limitations.

4. The Indenture creates the valid pledge which it purports to create of the Pledged Property, subject only to the application thereof to the purposes and on the conditions permitted in the Indenture.

5. The Series 2024 Bonds have been duly authorized, executed, authenticated, issued and delivered and constitute valid and binding special and limited obligations of the Authority, enforceable in accordance with the respective terms thereof, except to the extent that enforcement thereof may be limited by Creditors' Rights Limitations.

6. Interest on the Series 2024 Bonds is not included for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Code and will not constitute a tax preference item for purposes of the alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the "dividend equivalent amount" for the taxable year. Interest on the Series 2024 Bonds received or accrued by a foreign corporation subject to the branch profits tax is included in computing the "dividend equivalent amount" of such corporation.

In addition, passive investment income, including interest on the Series 2024 Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In rendering this opinion, we have assumed continuing compliance by: (i) the Authority with the covenants contained in the Resolution, the Lease Agreement and the Nonarbitrage Certificate; and (ii) the City with the covenants contained in the Lease Agreement and the Nonarbitrage Certificate, that each will comply with the applicable requirements of the Code, including requirements relating to, *inter alia*, the use and investment of proceeds of the Series 2024 Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the Authority or the City to comply with its respective covenants could result in the interest on the Series 2024 Bonds being subject to federal income tax retroactive to the date of issue. We have not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date hereof that may affect the tax-exempt status of the interest on the Series 2024 Bonds.

Ownership of the Series 2024 Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, controlled foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Series 2024 Bonds will constitute disqualified income for this purpose. The Code also provides that the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Series 2024 Bonds is included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by household income. Section 36B(d) of the Code provides that household income consists of the "modified adjusted gross income" of the taxpayer and certain other individuals. "Modified adjusted gross income" means adjusted gross income increased by certain amounts, including interest

received or accrued by the taxpayer which is exempt from tax, such as the interest on the Series 2024 Bonds.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. The Series 2024 Bonds are ***not*** "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Owners of the Series 2024 Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the branch profits tax and the tax on passive investment income of S corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

7. Interest on the Series 2024 Bonds and any gain from the sale thereof is not included in the gross income of the owners thereof under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof.

We call your attention to the fact that the Series 2024 Bonds are special and limited obligations of the Authority payable solely from the Revenues and secured by a lien on the Pledged Property of the Authority and from any other moneys pledged therefor under the Indenture. The Series 2024 Bonds do not constitute a debt or obligation of the State or any political subdivision thereof (except the Authority, to the extent of the Pledged Property, and the City, to the extent of the Lease Payments due under the Lease Agreement), and neither the credit nor the taxing power of the State or any political subdivision thereof (except the Authority, to the extent of the Pledged Property, and the City, to the extent of the Lease Payments due under the Lease Agreement) is pledged for the payment of the principal of, redemption premium, if any, or interest on the Series 2024 Bonds. The Authority has no taxing power.

We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, any financial or other information which has been or may be supplied to purchasers of the Series 2024 Bonds.

The opinions expressed in the numbered paragraphs above are being rendered on the basis of federal law and the laws of the State, as presently enacted and construed, and we assume no responsibility to advise any party as to any changes in law or fact subsequent to the date hereof that may affect the opinions expressed above.

This is only an opinion letter and not a warranty or guaranty of the matters discussed above.

This letter is being provided solely for the benefit of the Authority and may not be relied upon by any other person, party, firm or organization without our prior written consent.

Very truly yours,

APPENDIX E

FORMS OF CONTINUING DISCLOSURE AGREEMENTS

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this ____ day of October, 2024, by and between The Cumberland County Improvement Authority ("Authority") and Phoenix Advisors, LLC ("Dissemination Agent"), in connection with the issuance by the Authority of its City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2024 ("Series 2024 Bonds"). The Series 2024 Bonds are being issued pursuant to: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey (*N.J.S.A.* 40:37A-44 *et seq.*), and the acts amendatory thereof and supplemental thereto; (ii) a bond resolution of the Authority, duly adopted on August 28, 2024; and (iii) a Trust Indenture, dated as of October 1, 2024 ("Indenture"), between the Authority and U.S. Bank Trust Company, National Association.

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the Series 2024 Bonds (collectively, "Bondholders") and in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time, including administrative or judicial interpretations thereof ("Exchange Act"), as it applies to the Series 2024 Bonds ("Rule").

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section 2, capitalized terms shall have the following meanings:

"Commission" shall have the meaning set forth in Section 1 of this Disclosure Agreement.

"Continuing Disclosure Information" shall mean any notice required to be filed with the National Repository pursuant to Section 3 hereof.

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with Release No. 34-59062, of the Commission, dated December 5, 2008, pursuant to which issuers of tax-exempt and taxable bonds, including the Series 2024 Bonds, and other filers on behalf of such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

"Insurer" shall mean Build America Mutual Assurance Company, as insurer of the Series 2024 Bonds, together with its successors and assigns.

"Listed Events" shall mean any of the events listed in Section 3(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"National Repository" shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the Commission as a repository for purposes of the Rule.

"Opinion of Counsel" shall mean a written opinion of counsel expert in federal securities law acceptable to the Authority.

"Rule" shall have the meaning set forth in Section 1 of this Disclosure Agreement.

"Trustee" shall mean U.S. Bank Trust Company, National Association.

SECTION 3. Reporting of Significant Events.

(a) This Section 3 shall govern the giving of notices of the occurrence of any of the following listed events ("Listed Events"):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers or their failure to perform;
(6) 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 Series 2024 Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to the rights of Series 2024 Bondholders, if material;
(8) Series 2024 Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
(9) defeasances;
(10) release, substitution, or sale of property securing repayment of the Series 2024 Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the obligated person;
(13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;
(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
(15) incurrence of a financial obligation[1] of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other

[1] The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of

similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

In determining the materiality of any of the Listed Events the Authority may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(b) The Authority shall, in a timely manner not in excess of seven (7) Business Days after the occurrence of any Listed Event notify the Dissemination Agent, in writing, to report the Listed Event pursuant to subsection (d) of this Section 3. The Dissemination Agent shall have no obligation under this Disclosure Agreement to provide, or to monitor the Authority's obligation to provide, notification of the occurrence of any of the Listed Events.

(c) If the Dissemination Agent has been instructed by the Authority to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository, as specified by the Authority in written instructions to the Dissemination Agent, within three (3) Business Days of the receipt of such instruction (but in no event later than ten (10) Business Days after the occurrence of a Listed Event), with a copy of such notice provided by the Dissemination Agent to the Authority and the Trustee. In addition, notice of Listed Events described in subsections (a)(7) and (8) of this Section 3 shall be given by the Dissemination Agent under this subsection (c) simultaneously with the giving of the notice of the underlying event to holders of affected Series 2024 Bonds without any required notice from the Authority.

SECTION 4. Termination of Reporting Obligations. The reporting obligations of the Authority under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Series 2024 Bonds.

SECTION 5. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Authority may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an Opinion of Counsel addressed to the Authority and the Dissemination Agent to the effect that such amendment or waiver will not, in and of itself, cause the undertakings herein to violate the Rule taking into account any subsequent change in or official interpretation of the Rule. No amendment to this Disclosure Agreement shall change or modify the rights or obligations of the Dissemination Agent without its written assent thereto. The party seeking amendment or waiver of provisions of this Disclosure Agreement shall give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent and the Dissemination Agent shall file such notice with the National Repository.

SECTION 6. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or

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(i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

including any other information in any notice or occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Authority chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, it shall not have any obligation under this Disclosure Agreement to update such information or include it in any future notice of occurrence of a Listed Event.

SECTION 7. Default and Remedies. In the event of a failure of the Authority to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Bondholders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Series 2024 Bonds and after provision of satisfactory indemnification in accordance with the Indenture, shall), or any beneficial owner of the Series 2024 Bonds may, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed to be an Event of Default under the Indenture or the Lease Agreement (as defined in the Indenture), and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority to comply with its obligations under this Disclosure Agreement shall be an action to compel performance.

SECTION 8. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Dissemination Agent and the Bondholders, and each Bondholder is hereby declared to be a third party beneficiary of this Disclosure Agreement. Except as provided in the immediately preceding sentence, this Disclosure Agreement shall create no rights in any other person or entity.

SECTION 9. Submission of Information to MSRB. The Authority and the Dissemination Agreement agree that all Continuing Disclosure Information filed with the National Repository in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

SECTION 10. Notices. All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

(i) If to the Dissemination Agent:

Phoenix Advisors, LLC
625 Farnsworth Avenue
Bordentown, New Jersey 08505
Attention: Anthony Inverso, Senior Managing Director

(ii) If to the Authority:

The Cumberland County Improvement Authority
745 Lebanon Road
Millville, New Jersey 08332
Attention: President/Chief Executive Officer

(iii) If to the Insurer:

Build America Mutual Assurance Company
200 Liberty Street, 27th Floor
New York, NY 10281
Attention: Surveillance, Re: Policy No._____

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 10 for the giving of notice.

SECTION 11. Compensation and Indemnification. The Authority shall pay: (i) the Dissemination Agent from time to time reasonable compensation for all services rendered under this Disclosure Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Disclosure Agreement, which amount shall be reimbursed to the Authority by the City of Bridgeton, County of Cumberland, New Jersey ("City"), pursuant to a Lease Agreement, dated as of October 1, 2024, by and between the City and the Authority.

SECTION 12. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 13. Appointment, Removal and Resignation of the Dissemination Agent.

(a) The Authority may discharge the Dissemination Agent and satisfy its obligations under this Disclosure Agreement without the assistance of a Dissemination Agent, or the Authority each may discharge the Dissemination Agent and appoint a successor Dissemination Agent, in either case by giving not less than thirty (30) days' written notice to the Dissemination Agent (with a copy to the Authority).

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations under this Disclosure Agreement by giving not less than forty-five (45) days' written notice to the Authority. Such resignation shall take effect on the date specified in such notice unless a replacement Dissemination Agent has not been appointed by the Authority, in which event, the Dissemination Agent shall continue to serve in such capacity until a successor has been appointed.

SECTION 14. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 15. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Authority or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 16. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 17. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

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IN WITNESS WHEREOF, the parties hereto have caused this Disclosure Agreement to be executed as of the date first written above.

THE CUMBERLAND COUNTY IMPROVEMENT AUTHORITY

By:_____
GERARD VELAZQUEZ, III,
President/Chief Executive Officer

PHOENIX ADVISORS, LLC,
as Dissemination Agent

By:_____
ANTHONY INVERSO,
Senior Managing Director

4871-6684-0810, v. 2

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CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement") is made on this ____ day of October, 2024, by and between the City of Bridgeton, County of Cumberland, New Jersey ("City") and the Dissemination Agent (as hereinafter defined). This Disclosure Agreement is entered into in connection with the issuance and sale by the Cumberland County Improvement Authority ("Authority") of its $_____ aggregate principal amount of City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2024 ("Series 2024 Bonds"). The Series 2024 Bonds are being issued pursuant to: (i) the County Improvement Authorities Law, constituting Chapter 183 of the Pamphlet Laws of 1960 of the State of New Jersey (*N.J.S.A.* 40:37A-44 *et seq.*), and the acts amendatory thereof and supplemental thereto; (ii) a bond resolution of the Cumberland County Improvement Authority, duly adopted on August 28, 2024; and (iii) a Trust Indenture, dated as of October 1, 2024 ("Indenture"), between the Authority and U.S. Bank Trust Company, National Association.

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the Series 2024 Bonds (collectively, "Bondholders") and in compliance with the provisions of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("Commission") pursuant to the Securities Exchange Act of 1934, as it may be amended and supplemented from time to time, including administrative or judicial interpretations thereof ("Exchange Act"), as it applies to the Series 2024 Bonds ("Rule").

SECTION 2. Definitions. Capitalized term used in this Disclosure Agreement, and not otherwise defined herein, shall, for purposes of this Disclosure Agreement, have the following meanings:

"Annual Report" shall mean the City's Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the City or the Dissemination Agent is authorized by law or contract to remain closed.

"Commission" shall have the meaning set forth in Section 1 of this Disclosure Agreement.

"Continuing Disclosure Information" shall mean, collectively, (i) the Annual Report; (ii) any notice required to be filed with the National Repository pursuant to Section 5 hereof; and (iii) any notice of an event required to be filed with the National Repository pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean Acacia Financial Group, Inc., Mount Laurel, New Jersey, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System, an internet based filing system created and maintained by the MSRB in accordance with the SEC Release (as hereinafter defined), pursuant to which issuers of tax-exempt and taxable bonds, including the Series 2024 Bonds, and other filers on behalf of such issuers shall upload Continuing Disclosure

Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

"Insurer" shall mean Build America Mutual Assurance Company, as insurer of the Series 2024 Bonds, together with its successors and assigns.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

"National Repository" shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the Commission as a repository for purposes of the Rule.

"Opinion of Counsel" shall mean a written opinion of counsel expert in federal securities law acceptable to the City.

"Rule" shall have the meaning set forth in Section 1 of this Disclosure Agreement.

"SEC Release" shall mean Release No. 34-59062, of the SEC, dated December 5, 2008.

SECTION 3. Provision of Annual Report.

(a) The City shall not later than 270 days after the end of its fiscal year (currently December 31, beginning December 31, 2024) during which any of the Series 2024 Bonds remain Outstanding provide to the Dissemination Agent the City's Annual Report prepared for the preceding fiscal year of the City. Each Annual Report provided to the Dissemination Agent by the City shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the SEC.

(b) The Dissemination Agent, promptly (within fifteen (15) Business Days) after receiving the Annual Report from the City, shall submit the Annual Report received by it to the National Repository and thereafter shall file a written report with the City certifying that the Annual Report has been provided pursuant to this Agreement, stating the date it was provided to the National Repository.

(c) If the City fails to provide the Annual Report to the Dissemination Agent by the dates required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the City advising of such failure. Whether or not such notice is given or received, if the City thereafter fails to submit the Annual Report to the Dissemination Agent within fifteen (15) Business Days after the Annual Report was due pursuant to the provisions of subsection (a) of this Section 3, the Dissemination Agent shall promptly send a notice to the National Repository in substantially the form attached as Exhibit "A" hereto.

SECTION 4. Contents of Annual Report. Annual Report shall mean: (i) the City's annual financial statements, audited by an independent registered municipal accountant, provided that the annual audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required in Section 3(a) hereof for the filing of the Annual Report if the annual audited financial statements of the City are not available by that date, but only if the unaudited financial statements of the City are included in the Annual Report; and (ii) certain financial information and operating data consisting of (a) the City's overlapping indebtedness, including a schedule of outstanding debt issued by the City, (b) property valuation information, and (c) tax rate, levy and collection data. Each of the annual audited financial statements will conform to generally accepted accounting principles applicable to governmental units or will be prepared in accordance with standards of the Governmental Accounting Standards Board and requirements of the Division of Local Government Services in the New Jersey Department of Community Affairs as such principles, standards and requirements exist at the time of the filing of the particular annual audited financial statements and audited in accordance with generally accepted auditing standards as in effect from time to time as the United States of America, consistently applied.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following listed events ("Listed Events"):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers or their failure to perform;
(6) 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 Series 2024 Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to the rights of Series 2024 Bondholders, if material;
(8) Series 2024 Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
(9) defeasances;
(10) release, substitution, or sale of property securing repayment of the Series 2024 Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the obligated person;
(13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a financial obligation[1] of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) The City shall within ten (10) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of a Listed Event specified clauses (2), (7), (8), (10), (13), (14) or (15) of subsection (a) of this Section 5, the City may, but shall not be required to, rely conclusively on an Opinion of Counsel.

(c) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within five (5) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the City.

SECTION 6. Termination of Disclosure Agreement. This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Series 2024 Bonds or when the City is no longer an Obligated Person (as defined in the Rule) with respect to the Series 2024 Bonds.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver (supported by an Opinion of Counsel) is: (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Series 2024 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of Series 2024 Bondholders. The City shall give notice of such amendment or waiver to this Disclosure Agreement to the Dissemination Agent and the Dissemination Agent shall file such notice with the National Repository.

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any

[1] The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with Rule 15c2-12.

information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, it shall not have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Default and Remedies. In the event of a failure of the City to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Bondholder may (and, at the written request of Bondholders of at least twenty-five percent (25%) of the outstanding Series 2024 Bonds and provision of indemnity and security for expenses satisfactory to it, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the City to comply with this Disclosure Agreement shall be an action to compel performance. A failure of the City to comply with any provision of this Disclosure Agreement shall not be deemed to be a default under the Series 2024 Bonds.

SECTION 10. Notices. All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

(i) If to the City:

City of Bridgeton
181 East Commerce Street
Bridgeton, New Jersey 08302
Attention: Chief Financial Officer

(ii) If to the Dissemination Agent:

Acacia Financial Group, Inc.
6000 Midlantic Drive
Suite 410 North
Mount Laurel, New Jersey 08054
Attention: Jennifer G. Edwards, Managing Director

(iii) If to the Insurer:

Build America Mutual Assurance Company
200 Liberty Street, 27th Floor
New York, NY 10281
Attention: Surveillance, Re: Policy No._____

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provision of this Section 11 for the giving of notice.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent and the Bondholders and nothing herein contained shall confer any right upon any other person.

SECTION 12. Submission of Information to MSRB. Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by the MSRB or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by the MSRB or as may otherwise be required by the Rule.

SECTION 13. Compensation. The City shall pay the Dissemination Agent from time to time reasonable compensation for all services rendered under this Disclosure Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Disclosure Agreement.

SECTION 14. Successors and Assigns. All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the City, or by or on behalf of the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 17. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Disclosure Agreement as of the date first above written.

CITY OF BRIDGETON, NEW JERSEY

By: _____
TRISHA MCGAHHEY, Chief Financial Officer

PHOENIX ADVISORS, LLC,
as Dissemination Agent

By:_____
JENNIFER G. EDWARDS, Managing Director

EXHIBIT A

NOTICE TO THE NATIONAL REPOSITORY OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: The Cumberland County Improvement Authority, County of Cumberland, New Jersey

Name of Bond Issue Affected: $ City General Obligation Lease Revenue Bonds (Bridgeton Fire Station Project), Series 2024

Date of Issuance of the Affected Bond Issue: October , 2024

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above named Bond issue as required by Section 3 of the Continuing Disclosure Agreement, dated October __, 2024, between the City and the Dissemination Agent. [TO BE INCLUDED ONLY IF THE DISSEMINATION AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE - The Issuer anticipates that such Annual Report will be filed by _____].

Dated:

ACACIA FINANCIAL GROUP, INC.,
Dissemination Agent

cc: City of Bridgeton, County of Cumberland, New Jersey

APPENDIX F

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_____ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _____

Risk Premium: $_____
Member Surplus Contribution: $ _____
Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SPECIMEN

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____

Authorized Officer

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Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

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