Two Rivers Water Reclamation Authority

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Fair Haven *Oceanport*
Little Silver *Shrewsbury*
Monmouth Beach *West Long Branch*

SPECIAL MEETING AGENDA

Wednesday, May 27, 2026

1. ROLL CALL

2. CHAIRMAN CALLS TO ORDER

3. FLAG SALUTE

4. PUBLIC COMMENT ON THE AGENDA

5. Resolution 2026-05-55— Supplemental Junior Lien Bond Resolution Authorizing the Issuance of Not to Exceed $7,000,000 Revenue Bonds (Junior Lien) of The Two Rivers Water Reclamation Authority Through the New Jersey Infrastructure Bank Financing Program and Determining Various Other Matters in Connection Therewith

6. OPEN TO THE PUBLIC

7. MOTION TO ADJOURN

SUPPLEMENTAL JUNIOR LIEN BOND RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $7,000,000 REVENUE BONDS (JUNIOR LIEN) OF THE TWO RIVERS WATER RECLAMATION AUTHORITY THROUGH THE NEW JERSEY INFRASTRUCTURE BANK FINANCING PROGRAM AND DETERMINING VARIOUS OTHER MATTERS IN CONNECTION THEREWITH

RESOLUTION NO. 2026-05-55

WHEREAS, the Two Rivers Water Reclamation Authority, (the "Authority"), formerly known as the Northeast Monmouth County Regional Sewerage Authority, is a public body corporate and politic of the State of New Jersey, organized and existing under the provisions of the Sewerage Authorities Law (N.J.S.A. 40:14A-1 *et seq*.), constituting Chapter 138 of the Pamphlet Laws of 1946 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (the "Act"), created by virtue of parallel ordinances of the Member Municipalities (as defined herein) duly adopted by their respective governing bodies in the single calendar year 1965 (all capitalized terms used but not defined herein shall have the meanings assigned to such terms in the General Bond Resolution, as defined herein); and

WHEREAS, the Authority owns and operates a wastewater treatment and disposal facility (the "System"), serving (A) the Boroughs of Fair Haven, Little Silver, Monmouth Beach, Oceanport, Shrewsbury and West Long Branch (collectively, the "Member Municipalities") pursuant to an agreement, dated as of June 20, 1967, by and among the Member Municipalities (the "Agreement"); (B) the Boroughs of Red Bank, Rumson, Eatontown, Tinton Falls, Sea Bright and the Township of Shrewsbury (collectively, the "Customer Municipalities") pursuant to respective Customer Agreements by and between the Authority and each of the Customer Municipalities (collectively, the "Customer Agreements"); and (C) the United States Government installation Fort Monmouth/Camp Wood ("Fort Monmouth") pursuant to a certain Utility Contract by and between the Authority and Fort Monmouth (the "Utility Contract"); and

WHEREAS, on January 17, 1978, the Authority adopted a resolution entitled, "Resolution Authorizing the Issuance of Revenue Bonds of the Northeast Monmouth County Regional Sewerage Authority", as amended and supplemented (the "General Bond Resolution") providing for the issuance of revenue bonds (the "Initial Bonds") by the Authority and further authorizing the issuance of "Additional Bonds", as such term is herein defined, for the purposes and upon the terms and conditions set forth in the General Bond Resolution; and

WHEREAS, the Authority wants to adopt this junior lien resolution, entitled "Supplemental Junior Lien Bond Resolution Authorizing the Issuance of Not to Exceed $7,000,000 Revenue Bonds (Junior Lien) of The Two Rivers Reclamation Authority Through the New Jersey Infrastructure Bank Financing Program," as may be amended and supplemented from time to time (the "Supplemental Junior Lien Resolution") in order to avoid the creation or funding of a reserve fund when issuing any junior lien bonds; and

WHEREAS, the Supplemental Junior Lien Resolution will be subordinate in all respects to the General Bond Resolution and the lien and pledge of the General Bond Resolution with respect to any bonds issued under such Resolution; and

WHEREAS, the Authority desires to undertake the 2026 Junior Lien Project (as defined herein); and

WHEREAS, to finance the 2026 Junior Lien Project, the Authority has applied for funding through the New Jersey Infrastructure Bank Financing Program (the "Financing Program") on terms significantly below market rates generally available to the Authority; and

WHEREAS, to participate in the Financing Program, the Authority must issue bonds to the State, acting through the Department of Environmental Protection and the Bank (as defined herein) and approve the terms of the Financing Documents (as defined herein) for a closing on a date to be determined by the Bank; and

WHEREAS, any notes to be issued in anticipation of such bonds in an aggregate principal amount not to exceed $7,000,000 to provide funds to finance the cost to (i) eliminate Pump Station #8 (Pemberton Avenue), Pump Station #15 (Horseneck Point Road), Pump Station #18 (Riverside Avenue) and Pump Station #19 (Riordan Place) and replace with gravity sewers, (ii) eliminate aging pumping equipment and force main piping, which will result in pumping and treatment energy savings, prevention of potential emergency repairs to the aging infrastructure, and improvement of functionality and reliability with new gravity sewer installation, (iii) pay for the related costs for the issuance of any bonds and notes to finance the work set forth in item (i) and (ii) herein, and (iii) finance capitalized interest as necessary (the "2026 Junior Lien Project"); and

WHEREAS, the costs of the 2026 Junior Lien Project are expected to be paid from funds available from the proceeds of junior lien bonds that are not Additional Bonds under the General Bond Resolution, and any notes to be issued in anticipation of such bonds, in a principal amount not to exceed $7,000,000 that are expected to be issued through the Financing Program (the "Obligations"); and

WHEREAS, it is currently expected that the Obligations will be repaid over a not to exceed forty (40) year duration from their date of issuance; and

WHEREAS, the Authority desires to sell such Obligations to the State and Trust (each as defined herein) pursuant to the New Jersey Infrastructure Bank Financing Program and the terms of the Financing Documents (as hereinafter defined) to be executed in connection therewith; and

WHEREAS, such Obligations constitute "evidence of indebtedness" under the Agreement and are therefor secured by the payment obligations of the Member Municipalities thereunder, subject to the rights of the holders of all Outstanding Bonds of the Authority and any Additional Bonds hereafter issued by the Authority pursuant to the General Bond Resolution;

NOW, THEREFORE BE IT RESOLVED BY THE TWO RIVERS WATER RECLAMATION AUTHORITY, and the members and commissioners thereof, as follows:

ARTICLE I

Section 101. **Short Title.** This resolution may hereinafter be cited by the Authority and is hereinafter sometimes referred to as the "2026 Supplemental Junior Lien Resolution".

Section 102. Definitions. Terms which are used as defined terms herein shall, unless specifically defined herein or unless the context clearly requires otherwise, have the meanings assigned to such terms in the General Bond Resolution.

"Additional Bonds" means any of the bonds of the Authority which are authorized and issued under and pursuant to the terms of Sections 315 of the General Bond Resolution and entitled to the pledge of Revenues provided therein;

"Bonds Outstanding" or "Outstanding Bonds" means any of the bonds of the Authority authenticated and delivered under and pursuant to the General Bond Resolution, and all Additional Bonds, except (A) any Bond cancelled by the Authority or Trustee, (B) any Bond for the payment or redemption of which either (1) cash, equal to the principal amount of the Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, or (2) Investment Obligations in the amounts, of the maturities and otherwise confirming with the provisions of the General Bond Resolution, shall have theretofore been deposited with the Trustee in trust whether upon or prior to maturity or the redemption date of such Bonds and, except in the case of a Bond to be paid at maturity, of which notice of redemption shall have been given or provided in accordance with the General Bond Resolution, and (C) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the General Bond Resolution;

"Escrow Agreement" means that certain escrow agreement to be entered into by and between the Authority, the Trust, the State and the escrow agent named in such agreement (the "Escrow Agent"), as trustee for the Holders of the Obligations issued pursuant to this 2026 Supplemental Junior Lien Resolution through the Program;

"Financing Documents" means the Trust Loan Agreement, the Fund Loan Agreement and the Escrow Agreement, as defined herein and any other documents required by the New Jersey Infrastructure Bank Financing Program;

"Fund Loan Agreement" means that certain loan agreement to be entered into by and between the Authority and the State, pursuant to the Program;

"2026 Junior Lien Bond Service Requirement" for any Fiscal Year shall mean the sum of: (A) the amount required to pay the interest accruing on the Obligations during such Fiscal Year, except to the extent that such interest shall have been provided by payment into the 2026 Junior Lien Bond Service Account out of 2026 Junior Lien Bond proceeds, and (B) the amount required to pay the principal of the Obligations;

"2026 Junior Lien Bond Service Account" means the account so designated which is herein established and created in the General Fund by the Authority pursuant to the terms of Section 401 hereof;

"Program" means the New Jersey Infrastructure Bank Financing Program;

"State" means the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection, pursuant to the Program;

"Trust" means the New Jersey Infrastructure Bank;

“Trust Loan Agreement” means that certain loan agreement to be entered into by and between the Authority and the Trust, pursuant to the Program;

“Trustee” means Manufacturers and Traders Trust Company, by that name or such name as they give to the Authority, as set forth in Section 307 of this 2026 Supplemental Junior Lien Resolution.

Section 103. Incorporation and Continuation of General Bond Resolution. This 2026 Supplemental Junior Lien Resolution supplements and amends the General Bond Resolution and is not intended by the Authority to close off the General Bond Resolution. The General Bond Resolution is incorporated herein by reference and the issuance of the Obligations by the Authority pursuant to this 2026 Supplemental Junior Lien Resolution shall not in any way prevent or limit the prospective issuance of Additional Bonds by the Authority under the General Bond Resolution, with any such Additional Bonds being senior in priority to the Obligations being issued hereby.

Section 104. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this 2026 Supplemental Junior Lien Resolution, on the part of the Authority, the Trust, the State, the Escrow Agent or the Trustee, to be performed should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed separable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of the 2026 Supplemental Junior Lien Resolution or of any 2026 Junior Lien Bond.

(End of Article I)

ARTICLE II

Section 201. Authority for 2026 Supplemental Junior Lien Resolution. This 2026 Supplemental Junior Lien Resolution is adopted pursuant to the Act and the provisions of the General Bond Resolution, including Section 616 thereof, and the Authority has ascertained and hereby determines that each and every act, matter, thing or course of conduct as to which provision is made in this 2026 Supplemental Junior Lien Resolution, is appropriate in order to carry out and effectuate the purposes of the Authority in accordance with the Act and the General Bond Resolution to further secure the payment of the principal of and interest on the Obligations, as limited herein.

Section 202. Obligations Not to Constitute Additional Bonds. The Obligations issued pursuant to this 2026 Supplemental Junior Lien Resolution shall not constitute Additional Bonds as such term is defined in the General Bond Resolution. The Obligations issued pursuant hereto by the Authority shall be subordinate to all Outstanding Bonds of the Authority and any Additional Bonds hereafter issued by the Authority pursuant to the General Bond Resolution. To the extent that the Authority determines that additional funds are needed to complete the 2026 Junior Lien Project, the Authority may adopt an additional resolution to authorize additional Obligations ("Additional Obligations") for such purpose which shall for all purposes be treated as Obligations as provided herein.

Section 203. 2026 Supplemental Junior Lien Resolution to Constitute Contract. In consideration of the purchase and acceptance of the Obligations by the State and the Trust pursuant to the Program, the provisions of this 2026 Supplemental Junior Lien Resolution shall be deemed to be and shall constitute a contract between the State, the Trust, the Authority, the Escrow Agent and the Trustee; the pledge made in this 2026 Supplemental Junior Lien Resolution and the covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the holders of the Obligations, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Obligations over any other thereof except as expressly provided in or pursuant to this 2026 Supplemental Junior Lien Resolution.

Section 204. Estimated Cost of 2026 Junior Lien Project. The Authority hereby determines that the aggregate estimated Cost (as defined in the Act) of the 2026 Junior Lien Project shall not exceed $7,000,000, inclusive of any original issue discount, if any, capitalized interest and all reserves, if any, and excluding accrued interest on the Obligations.

Section 205. Nature of Obligations. The Obligations shall be direct and special obligations of the Authority and the principal of, redemption premium, if any, and interest on the Obligations shall be payable from the moneys and accounts which are pledged, as and to the extent provided in Section 402 hereof. All holders of the Obligations shall be entitled to the benefit of the continuing pledge and lien created by this 2026 Supplemental Junior Lien Resolution to secure the full and final payment of the principal of and interest on the Obligations. However, the power and the obligation of the Authority to cause application of moneys and accounts provided for in Section 402 hereof to the payment of the 2026 Junior Lien Bond Service Requirement is subject to and wholly conditioned upon the prior rights of the holders of all Outstanding Bonds, including any Additional Bonds as provided in the General Bond Resolution. The Obligations shall constitute subordinated indebtedness and the pledge of the Obligations shall be in all respects subordinate to the provisions of the General Bond Resolution and the lien and pledge created by the General Bond Resolution with respect to the Outstanding Bonds, including Additional Bonds hereafter issued by the Authority pursuant to the General Bond Resolution.

(End of Article II)

ARTICLE III

Section 301. Authorization and Purpose of the Obligations. The Obligations of the Authority in an aggregate principal amount not to exceed $7,000,000 are hereby authorized to be issued for the purpose of paying the Cost (as defined in the Act) of the 2026 Junior Lien Project. Such Obligations shall be entitled "Revenue Bonds (Junior Lien, Series 2026)" with the year of issuance of the bonds to be inserted. To the extent the 2026 Junior Lien Project or Obligations, or the documents related thereto, need to be titled with any subsequent year, such change is hereby permitted

Section 302. Description of Obligations. (A) Term. The Obligations shall be issued to the State and the Trust, respectively, or as necessary, with interest rates fixed to maturity, shall be dated their date of issue, numbered as determined by the Program, shall mature over a term not exceeding forty years, and be payable on February 1 and August 1, or such dates as may be determined, in the years and in the amounts as provided for by the General Bond Resolution, Financing Documents and subparagraph (B) of this Section.

(B) Delegation to Issue Obligations. An Authorized Officer (as hereinafter defined) of the Authority is hereby designated as the individual who shall have the power to sell and to award the Obligations (of the same or different series) on behalf of the Authority, to the State and Trust pursuant to the Program, including the power to determine (giving due consideration to the terms and conditions of the preceding paragraph and any applicable rules or restrictions of the Program), among other things (1) the aggregate amount of Obligations to be issued, provided such amount does not to exceed $7,000,000, (2) the time and the manner of sale of the Obligations and the Escrow Closing in connection therewith, (3) the denominations and rate or rates of interest to be borne by the Obligations, provided the combined average interest rate on the Obligations does not exceed 6.00% per annum, and (4) such other terms and conditions as may be necessary or related to the sale of the Obligations, including any amendment to this resolution, as necessary, prior to the issuance of the Obligations as set forth in the hereinafter defined Certificate. Such sale, award, terms and conditions of the Obligations issued pursuant to the Program shall be determined and evidenced by the Financing Documents, to be executed by the Authorized Officer (as defined herein) on behalf of the Authority, subject to the rules, conditions, maturity schedule and interest rate established by the Program, with respect to the 2026 Junior Lien Bond being issued to the Trust, with such interest rate on such 2026 Junior Lien Bond being based upon the pass through interest rates received by the Trust in connection with its sale of bonds (plus administrative fees), combined with the cash funds received from the State in connection with the Program, with respect to the 2026 Junior Lien Bond being issued to the State. Such sale and award provisions of the Obligations, as set forth herein, may be further evidenced by a certificate of the Authorized Officer (the "Certificate"), executed as of the date of sale and award of the Obligations. The Financing Documents and the Certificate, to the extent one is required, shall be presented by the Executive Director to the Board of Commissioners of the Authority at the next regular meeting of the Authority following such sale and award as evidence of the terms and details of the sale of such Obligations.

(C) Execution of the Financing Documents. The Financing Documents are hereby authorized to be executed and delivered in connection with the Program. Such Financing Documents may be executed and delivered on behalf of the Authority by either its Executive Director or Chairperson (each an "Authorized Officer"), in their respective sole discretion, after consultation with counsel and any advisors to the Authority (collectively, the "Authority Consultants"), and after further consultation with the Trust, the State and their representatives, agents, counsel and advisors (collectively, the "Program Consultants", together with the Authority Consultants, the "Consultants") shall determine, with such determination to be conclusively evidenced by the execution of such Financing Documents by an Authorized Officer as determined hereunder. The Secretary or Assistant Secretary of the Authority is hereby authorized to attest to the execution of the Financing Documents by an Authorized Officer of the Authority as determined hereunder, and to affix the corporate seal of the Authority to such Financing Documents.

(D) Form of Obligations. The Obligations shall be in substantially the form described and contained in the General Bond Resolution, with only such changes as are necessary to comply with the Financing Documents, requirements of the Program and to provide for the subordinate pledge of Revenues and other security.

(E) Further Authorizations. The Authorized Officers of the Authority are hereby further severally authorized to (1) execute and deliver, and the Secretary or Assistant Secretary of the Authority is hereby further authorized to attest to such execution and to affix the corporate seal of the Authority to, any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Officers, the Secretary or Assistant Secretary of the Authority, as applicable, in their respective sole discretion, after consultation with the Consultants, to be executed in connection with the execution and delivery of the Financing Documents and the consummation of the transaction contemplated thereby, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (2) perform such other actions as the Authorized Officers deem necessary, desirable or convenient in relation to the execution thereof.

Section 303. Issuance of the Obligations and Application of Proceeds of Sale. The Obligations authorized by Section 301, herein, are hereby directed to be executed by or on behalf of the Authority by its Authorized Officer and delivered to the State and the Trust, respectively. All of the proceeds of sale of the Obligations, including accrued interest (if any) received upon delivery thereof, shall, simultaneously with the issuance of the Obligations, be paid and applied by the Authority in accordance with the General Bond Resolution and the Financing Documents and as provided in an Order of the Authority executed by the Executive Director of the Authority consistent with the General Bond Resolution and the Financing Documents.

Section 304. Conditions Precedent to Issuance of Obligations. The Trustee shall not deliver to the Authority, or upon its order, any Obligations pursuant to the terms of the General Bond Resolution or this 2026 Supplemental Junior Lien Resolution unless theretofore or simultaneously therewith there shall have been delivered or paid to the Trustee all of the conditions precedent applicable to the issuance of Additional Bonds pursuant to Section 316 of the General Bond Resolution, except those conditions that are not applicable due to the 2026 Junior Lien status of the Obligations, as verified by an opinion or certificate of bond counsel to the Authority.

Section 305. No Recourse on the Obligations. No recourse shall be had for the payment of the principal of or the interest on the Obligations or for any claim based thereon or on the General Bond Resolution or this 2026 Supplemental Junior Lien Resolution against any member or other officer of the

Authority or any person executing the Obligations. The Obligations are not and shall not be in any way a debt or liability of the State of New Jersey or of any county or municipality and do not and shall not create or constitute any indebtedness, liability or obligation of said State or of any county or municipality, either legal, moral or otherwise.

Section 306. Execution of Obligations. The Chairperson or Vice Chairperson or Executive Director of the Authority is hereby authorized to execute by the manual or facsimile signature the Obligations in the name and on behalf of the Authority attested by the manual or facsimile signature of its Secretary or Assistant Secretary.

Section 307. Appointment of Trustee, Paying Agent, Registrar and Depository Bank. In accordance with the provisions of the General Bond Resolution, Manufacturers and Traders Trust Company, is hereby appointed to serve as trustee, paying agent and registrar of the Obligations and shall accept the carry out its obligations as such, including but not limited to, authentication of the Obligations. Manasquan Bank shall act as Depository Bank for the Authority.

Section 308. Prior Action. All action which has been taken prior to the date hereof by the officers, employees, and agents of the Authority with respect to the sale of the Obligations, is hereby approved, ratified, adopted and confirmed.

Section 309. Additional Acts. The Chairperson and any other officer of the Authority, and the Executive Director, staff and consultants of the Authority are hereby authorized and directed to effectuate the terms of this 2026 Supplemental Junior Lien Resolution in connection with the issuance, sale and delivery of the Obligations.

(End of Article III)

ARTICLE IV

Section 401. <u>Establishment of Accounts in the General Fund</u>. The Authority hereby establishes and creates the 2026 Junior Lien Bond Service Account as a special sub-account in the General Fund. Such account shall be held by the Trustee. Other funds may be created by Supplemental Resolution or Certificate (as defined herein) of the Authority duly adopted/executed prior to the authentication and delivery of the Obligations upon original issuance.

Section 402. <u>Pledge Securing Obligations</u>. Subject to (A) the right of the Authority to apply amounts in the Revenue Fund for Operating Expenses of the System under the provisions of Section 504 and 505 of the General Bond Resolution and (B) the rights of the holders of Outstanding Bonds under the General Bond Resolution, including any Additional Bonds hereafter issued by the Authority pursuant to the General Bond Resolution, the Revenues (including all Annual Charges, Deficiency Charges and all Service Charges) and all Funds established by the General Bond Resolution are hereby pledged to secure the payment of the principal or Redemption Price of, and interest on, the Obligations, and this pledge shall be valid and binding from and after the date of first delivery of any Obligations, and the Revenues received by the Authority, and other moneys hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any and all other obligations and liabilities of the Authority, except as set forth herein, and the lien of this pledge shall be valid and binding as against all parities having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof.

Section 403. <u>Periodic Withdrawals From General Fund</u>. As of the payment date in any Fiscal Year of the 2026 Junior Lien Bond Service Requirement (except as otherwise herein provided), the Trustee shall make payments out of any moneys which are on deposit in the General Fund under the General Bond Resolution into the following sub-account in the General Fund under this 2026 Supplemental Junior Lien Resolution, but as to each such account or fund only within the limitation hereinafter indicated with respect thereto and only after maximum payment within such limitation into every such account or fund previously mentioned in the following tabulation:

<u>First</u>: Into the 2026 Junior Lien Bond Service Account, to the extent, if any, needed so that the amount on deposit in the 2026 Junior Lien Bond Service Account equals the 2026 Junior Lien Bond Service Requirement;

<u>Second</u>: To the extent any funds remain available in the 2026 Junior Lien Bond Service Account after payment of the 2026 Junior Lien Bond Service Requirement, back into the General Fund.

Section 404. <u>Application, Investment and Restoration of 2026 Junior Lien Bond Service Account</u>.

(A) Unless otherwise provided in a Supplemental Resolution or Certificate delivered pursuant to Section 302 hereof, immediately prior to each interest payment date of the Obligations, the Trustee shall withdraw from the 2026 Junior Lien Bond Service Account an amount which is equal to the interest which is due and payable on the Obligations on such interest payment date, and shall cause the same to be deposited with the Paying Agent who shall apply the same to the payment of said interest when due.

(B) Unless otherwise provided in a Supplemental Resolution or Certificate delivered pursuant to Section 302 hereof, if the withdrawals which are required to be made under the provisions of paragraph (A) of this Section with respect to the same and every prior date shall have been made, the Trustee shall withdraw from the 2026 Junior Lien Bond Service Account, prior to each principal maturity date of the Obligations, an amount which is equal to the principal amount of Obligations, if any, maturing on said day, and shall cause the same to be deposited with the Paying Agent who shall apply such amounts to the payment of the principal of said Obligations when due.

(C) If at any time there shall not be a sufficient amount on deposit in the 2026 Junior Lien Bond Service Account to provide for any withdrawal therefrom which is required to be made under the provisions of paragraphs (A) or (B) of this Section, the Trustee shall, on or prior to the date on which payment from the 2026 Junior Lien Bond Service Account is required to be made, withdraw an amount which is sufficient to make up such deficiency from the General Fund and shall deposit same into the 2026 Junior Lien Bond Service Account; provided however such funds on deposit in the General Fund are not otherwise necessary for the purposes or obligations of the Authority under the General Bond Resolution.

(D) Any moneys which are on deposit in the 2026 Junior Lien Bond Service Account shall be invested, at the oral direction of an Authority Officer (promptly confirmed in writing), by the Trustee in Investment Obligations; provided however, that the maturity of every such Investment Obligation shall not be later than the time when such funds are needed to be applied to pay the interest on or the principal of any Obligations. Any investment income which is derived from the investment of moneys which are on deposit in the 2026 Junior Lien Bond Service Account shall be deposited in the General Fund.

(E) No amount shall be withdrawn from or paid out of the 2026 Junior Lien Bond Service Account except as expressly provided in this Section.

Section 405. No Bond Reserve Requirement. Upon the issuance of the Obligations by the Authority, there shall be no increase in the Bond Reserve Requirement under the General Bond Resolution in that the Obligations are not deemed to be Bonds Outstanding thereunder.

Section 406. Funds Held for Payment of Obligations. The amounts which are held by the Trustee or which are applied by the Paying Agent for the payment of the principal of, redemption premium, if any, or interest which is due on any date with respect to particular Obligations shall, pending such payment, be set aside and held in trust for the holders of the Obligations who are entitled to such payment, and for the purposes of this 2026 Supplemental Junior Lien Resolution, such principal, redemption premium, if any, and interest after the date fixed for the payment thereof, shall no longer be considered to be unpaid.

Section 407. System Reserve Requirement. The System Reserve Requirement pursuant to the General Bond Resolution shall be determined by the Authority's Consulting Engineer as provided therein but shall include and consider the 2026 Junior Lien Project being financed by the Authority through the issuance of the Obligations in determining same.

(End of Article IV)

ARTICLE V

Section 501. Covenants. The Authority hereby particularly covenants and agrees with the Trustee and with the holders of the Obligations and makes provisions which shall be a part of its contract with such holders to the effect and with the purpose set forth in the following provisions and Sections of this Article V.

Section 502. Payment of Obligations. The Authority shall duly and punctually pay or cause to be paid the principal of, redemption premium, if any, and the interest on every 2026 Junior Lien Bond, on the dates, at the place and in the manner provided for in the Obligations according to the true intent and meaning thereof.

Section 503. Rates and Charges. (A) With respect to all direct or indirect connection with, and all use and services of, the System, the Authority shall make, impose, charge and collect Annual Charges in accordance with the Customer Agreements and, shall charge and collect Service Charges in accordance with the Act to the extent permitted by the Agreement with the Member Municipalities and as provided for herein, and make, impose and collect Deficiency Charges in accordance with the Agreement.

(B) Such Annual Charges and Deficiency Charges shall be so estimated, computed, made, charged, imposed and collected pursuant to the Agreement and the Customer Agreement, and such Service Charges shall be so fixed, charged and collected under the Act, that the Revenues collected and paid to the trustee hereunder will be at least sufficient (1) to pay Operating Expenses; and (2) to provide in each Fiscal Year an additional amount which shall be at least equal to the Bond Service Requirement for such Fiscal Year; (3) to provide in each Fiscal Year the amount, if any, needed so that the amount in the Bond Reserve Fund will equal the Bond Reserve Requirement and the amount in the Renewal and Replacement Fund will equal the System Reserve Requirement and (4) to provide in each Fiscal Year an additional amount which shall be at least equal to the 2026 Junior Lien Bond Service Requirement. For the purpose of this Section, Revenues shall be deemed to include any funds other than funds borrowed by the Authority which the authority deposits in the Revenue Fund, regardless of the source thereof.

(C) Copies of every schedule of Service Charges, and revisions thereof, prescribed or adopted by the Authority shall be promptly filed with the Trustee, the Consulting Engineer, and the municipal clerk of each Participant.

Section 504. Covenant of Authority as to Compliance with Federal Tax Matters. The Authority hereby covenants that it will take all actions within its control that are necessary to assure that interest on the Obligations, the Outstanding Bonds, including any Additional Bonds hereafter issued by the Authority pursuant to the General Bond Resolution, is excludable from gross income under the Code and the Authority will refrain from taking any action that would adversely affect the exclusion of interest on such obligations from gross income under the provisions of the Code. The Authority hereby declares the intent of the Authority to issue bonds or bond anticipation notes in the amount authorized in Section 301 of this Supplemental Junior Lien Resolution and to use the proceeds to pay or reimburse expenditures for the costs of the purposes or improvements described in the recitals of this Supplemental Junior Lien Resolution. This Section 504 is a declaration of intent within the meaning and for purposes of the Treasury Regulations.

Section 505. **Professional Services Authorized.** Not withstanding any other provision of the General Bond Resolution or this 2026 Supplemental Junior Lien Resolution, the Executive Director of the Authority is hereby authorized to utilize the services of Birdsall and Laughlin, L.L.C., Neptune, New Jersey, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, McManimon, Scotland & Baumann, L.L.C., Roseland, New Jersey, PKF O'Connor Davies, LLP, Livingston, New Jersey and Manufacturers and Traders Trust Company, in connection with the sale and issuance of the Obligations through the Program.

Section 506. **Effective Date.** This 2026 Supplemental Junior Lien Resolution shall take effect immediately and the Secretary of the Authority is hereby directed to publish a notice of adoption as provided in the Act.

(End of Article V)

CERTIFICATE

I, Jonathan Peters, the undersigned, Secretary of the Two Rivers Water Reclamation Authority, a public body corporate and politic organized and existing under and by virtue of the laws of the of the State of New Jersey, HEREBY CERTIFY that the foregoing resolution entitled "Supplemental Junior Lien Bond Resolution Authorizing the Issuance of Not to Exceed $7,000,000 Revenue Bonds (Junior Lien) of the Two Rivers Water Reclamation Authority Through the New Jersey Infrastructure Bank Financing Program and Determining Various Other Matters in Connection Therewith", is a true copy of the resolution which was duly adopted by said Authority at a meeting thereof which was duly called and held on May 27, 2026 and at which a quorum was present and acted throughout, and that said copy has been compared by me with the original resolution recorded in the records of the Authority and that it is a correct transcript thereof end of the whole of said resolution, and that said original resolution has not been altered, amended or repealed but is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said

Authority this ______ day of _________, 2026.

(SEAL) ____________

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Jonathan Peters, Secretary