

**RESOLUTION: 25-017**

**SERIES 2025 SUPPLEMENTAL RESOLUTION NO. 1 SUPPLEMENTING THE PASSAIC VALLEY WATER COMMISSION'S GENERAL BOND RESOLUTION DULY ADOPTED MAY 27, 1992, AS AMENDED AND SUPPLEMENTED, AND PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$12,500,000 PRINCIPAL AMOUNT OF WATER SUPPLY SYSTEM REVENUE REFUNDING BONDS, SERIES 2025 IN ONE OR MORE SERIES OF THE COMMISSION AND DETERMINING VARIOUS MATTERS PERTAINING THERETO**

Approved as to form and legality by Bond Counsel on the basis of facts set forth by Executive Director, Purchasing, Engineering and Finance Departments.

Introduced by Commissioner: **CARMEN DEPADUA**

Seconded by Commissioner: **RON VAN RENSA LIER**

ADOPTED: January 24, 2025

**WHEREAS**, the Passaic Valley Water Commission (the "Commission") was created and operates pursuant to the provisions of Chapter 195 of the Laws of 1923 of the State of New Jersey, as amended and supplemented (codified at N.J.S.A. 40:62-108 *et seq.*), as supplemented by Chapter 162 of the Laws of 1991 of the State of New Jersey, as amended and supplemented (codified at N.J.S.A. 40:62-133.1 *et seq.* (collectively, the "Act"); and

**WHEREAS**, on May 27, 1992, the Commission adopted a resolution entitled "Resolution Authorizing the Issuance of Water Supply System Revenue Bonds of The Passaic Valley Water Commission," as amended and supplemented (the "General Bond Resolution"), providing for, among other things, the acquisition, construction or improvement of the Commission's water system and the issuance of the Commission's bonds to finance all or a portion of the cost thereof; and

**WHEREAS**, on June 16, 2014, the Commission issued \$20,470,000 aggregate principal amount of its Water Supply System Revenue Bonds, Series 2014 (the "Series 2014 Bonds") pursuant to the General Bond Resolution, supplemental bond resolutions adopted by the Commission on March 19, 2014 and May 21, 2014 and an award certificate executed by an authorized officer of the Commission on May 29, 2014 (collectively, the "Prior Resolution"), in order to finance (1) various capital improvements to the Commission's water treatment and distribution system, including, among other things, construction and replacement of water supply system components, including cleaning and lining of water lines; main, valve and meter replacements; equipment upgrades to the water plant; acquisition of vehicles and equipment; dam improvements; improvements to pump station systems and hydro-turbine generators; design and project costs for water main replacements; upgrades to instrumentation and control systems; and costs related thereto; and (2) payment of the costs associated with the issuance of the Series 2014 Bonds (collectively, the "Series 2014 Project"); and

**WHEREAS**, the Commission has determined to authorize the issuance of one or more Series of its Bonds, constituting "Additional Bonds" within the meaning of Section 317(1)(b) of the General Bond Resolution, in the aggregate principal amount not to exceed \$12,500,000 (the "Series 2025 Bonds") in order to provide for, among other things, (1) the current refunding of all or a portion of the Commission's outstanding Series 2014 Bonds, (2) deposits (if necessary) to the Commission's Bond Reserve Fund to increase the amounts therein to amounts equal to the Bond Reserve Requirement, and (3) the payment of the costs associated with the issuance of such Bonds (together, the "Project"); and

**WHEREAS**, in accordance with the provisions of the General Bond Resolution, the Commission desires to authorize the issuance, delivery and sale of such Series 2025 Bonds and to provide certain terms and conditions with respect to such Series 2025 Bonds, in addition to those which have been previously established by the General Bond Resolution; and

**WHEREAS**, the terms of the sale of the Series 2025 Bonds shall be in accordance with the provisions of N.J.S.A. 40A:5A-6 and N.J.A.C. 5:31-8.1, by which the project financing represented

by the issuance of the Series 2025 Bonds may proceed without application to and review by the New Jersey Local Finance Board if the refunding will result in debt service savings and the other conditions set forth therein are satisfied;

**NOW THEREFORE, BE IT RESOLVED BY THE PASSAIC VALLEY WATER COMMISSION (at least five (5) Commissioners voting in the affirmative, with each of the three (3) Owner Cities represented among the Commissioners voting in the affirmative, and in the aggregate not less than two-thirds of the full membership of the Commission voting in the affirmative), as follows:**

**ARTICLE 1**  
**DEFINITIONS AND INTERPRETATIONS**

*SECTION 101.*        SHORT TITLE.

This resolution may hereinafter be cited by the Commission and is hereinafter sometimes referred to as “Series 2025 Supplemental Resolution No. 1.”

*SECTION 102.*        AUTHORIZATION FOR SERIES 2025 SUPPLEMENTAL RESOLUTION NO. 1.

This Series 2025 Supplemental Resolution No. 1 is authorized by and adopted pursuant to the provisions of Sections 317, 802(6), 802(7) and 806 of the General Bond Resolution.

*SECTION 103.*        CERTAIN DEFINITIONS.

Terms that 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.

**ARTICLE II**  
**AUTHORIZATION AND ISSUANCE OF SERIES 2025 BONDS**

*SECTION 201.*            AMOUNT AND TITLE OF SERIES 2025 BONDS.

An aggregate principal amount not to exceed \$12,500,000 of Series 2025 Bonds are hereby authorized to be issued pursuant to the terms of the General Bond Resolution by the Commission in accordance with the provisions of the General Bond Resolution and this Series 2025 Supplemental Resolution No. 1. The Series 2025 Bonds shall be designated "Water Supply System Revenue Refunding Bonds, Series 2025", consisting of one or more series of obligations. Notwithstanding the foregoing, if the Series 2025 Bonds (or any series thereof) are not issued during 2025, then the year of issuance shall be substituted for "2025" wherever applicable.

*SECTION 202.*            DESCRIPTION OF SERIES 2025 BONDS.

(1) Term. The Series 2025 Bonds shall be dated and shall bear interest from their dated date and shall mature at the respective principal amounts, subject to prior redemption, at such rates, on such dates and in such amounts, and at such Redemption Price(s), if applicable, as shall be provided by either (i) one or more resolutions of the Commission (any such resolution(s) are hereinafter referred to as the "Details Resolution") and/or (ii) one or more certificates of the President, Vice President or Executive Director of the Commission (any such certificate(s) are hereinafter referred to as the "Award Certificate"); provided that if determined by Award Certificate, the final maturity of the Series 2025 Bonds shall not be later than nine (9) years after the date of issuance thereof and the interest rate shall not exceed six percent (6%) per annum. Principal of the Series 2025 Bonds shall mature on December 15 or such other date as may be determined by the Details Resolution or Award Certificate.

(2) Interest Rates Per Annum and Interest Payment Dates. The Series 2025 Bonds shall bear interest at the interest rate per annum as shall be set forth in the Details Resolution or Award Certificate. Unless otherwise provided in the Details Resolution or Award Certificate, interest on the Series 2025 Bonds shall be payable on each June 15 and December 15, and shall commence on such dates as are determined by the Details Resolution or Award Certificate, until the Commission's obligation with respect to the Series 2025 Bonds shall be discharged.

(3) Denomination and Place of Payment. The Series 2025 Bonds shall be issued in fully registered form, without coupons, and are issuable in the denomination of \$5,000 each, or any integral multiple thereof. The principal of and interest on the Series 2025 Bonds shall be payable to the Registered Owner thereof, or registered assigns, on the applicable payment date(s) of the Series 2025 Bonds or on the applicable date(s) fixed for redemption. All other terms and conditions with respect to the payment of the principal and interest on the Series 2025 Bonds shall be as provided in the General Bond Resolution or in the Details Resolution or Award Certificate, as the case may be.

(4) Form of the Series 2025 Bonds. The Series 2025 Bonds shall be in substantially the form set forth in Exhibit A attached hereto, with such omissions, insertions and variations as are properly required and which are not contrary to any of the provisions of the General Bond Resolution or this Series 2025 Supplemental Resolution No. 1, or as may otherwise be set forth in the Details Resolution or Award Certificate.

*SECTION 203.*            REDEMPTION OF SERIES 2025 BONDS.

The Series 2025 Bonds shall be subject to redemption prior to maturity in accordance with the terms of the General Bond Resolution and as shall be set forth in the Details Resolution or Award Certificate.

*SECTION 204.*            APPOINTMENT OF TRUSTEE, ESCROW AGENT, PAYING AGENT AND REGISTRAR.

Manufacturers and Traders Trust Company is hereby appointed Trustee, Escrow Agent, Paying Agent and Registrar for the Series 2025 Bonds. The Trustee, Paying Agent and Registrar shall signify its acceptance of the trusts and duties hereunder and under the General Bond Resolution by its execution of a certificate accepting same.

*SECTION 205.*            SYSTEM RESERVE AND OPERATING FUND RESERVE  
ACCOUNT REQUIREMENTS.

As determined by the Chief Financial Officer of the Commission, the System Reserve Requirement (aka the Renewal and Replacement Reserve) is \$4,000,000 and the Operating Fund Reserve Account Requirement is \$13,815,000, or such respective amounts as may be determined from time to time by the Chief Financial Officer of the Commission.

*SECTION 206.*            BOND RESERVE REQUIREMENT.

The Bond Reserve Requirement shall be determined in accordance with the requirements of the General Bond Resolution at the time of issuance of the Series 2025 Bonds, based on a certificate of the Chief Financial Officer of the Commission. Such requirement may be satisfied with funds and investments of the Commission or a surety bond or bonds, or by a combination thereof.

**ARTICLE III  
EXECUTION AND SALE OF SERIES 2025 BONDS**

**SECTION 301.           EXECUTION OF THE SERIES 2025 BONDS.**

The President, Vice President or Executive Director of the Commission are hereby authorized to execute the Series 2025 Bonds in the name and on behalf of the Commission, and the Secretary shall cause the corporate seal of the Commission to be affixed thereto or reproduced thereon, and the Secretary is hereby authorized to attest to said corporate seal.

**SECTION 302.           AUTHENTICATION AND DELIVERY OF THE SERIES 2025 BONDS.**

The President, Vice President or Executive Director of the Commission is hereby authorized, after the execution of the Series 2025 Bonds, to cause the same to be issued and delivered in accordance with the terms of the General Bond Resolution and this Series 2025 Supplemental Resolution No. 1.

**SECTION 303.           SALE OF SERIES 2025 BONDS.**

The Commission has determined that the Series 2025 Bonds shall be sold by private sale to Raymond James & Associates, Inc. (the "Underwriter"). The President, Vice President or Executive Director of the Commission is hereby authorized to execute a bond purchase agreement on behalf of the Commission with the Underwriter, provided such terms are consistent with this Series 2025 Supplemental Resolution No. 1 and provided further that the underwriter's discount for the Series 2025 Bonds shall not exceed \$5.00 per \$1,000 principal amount of Series 2025 Bonds, exclusive of counsel fees.

**SECTION 304.           BOND PURCHASE AGREEMENT.**

The Bond Purchase Agreement with the Underwriter, in substantially the form attached hereto as Exhibit B, is hereby approved, with such revisions, modifications and insertions as may be approved by the officers of the Commission executing the Bond Purchase Agreement, such approval to be evidenced by the execution thereof, and the President, Vice President, Secretary, Treasurer and/or Executive Director of the Commission is hereby authorized to execute and deliver the Bond Purchase Agreement on behalf of the Commission.

**SECTION 305.           AUTHORIZATION FOR OFFICIAL STATEMENT.**

The distribution by the Commission and the Underwriter of one or more Preliminary Official Statements relating to the Series 2025 Bonds (a draft of which is attached hereto as Exhibit C and shall be filed with the records of the Commission) is hereby authorized in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as bond counsel may advise and the Commission officer executing the same may approve, such approval to be evidenced by such Commission officer's execution thereof. The President or Executive Director is hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12 of the Rules of the Securities and Exchange Commission and to execute and deliver a certificate to that effect. The President or Executive Director is hereby authorized to sign such Official Statement on behalf of the Commission, in substantially such form, with such insertions, deletions or changes therein and any supplements thereto as bond counsel may advise and the Commission office executing the same may approve, such approval to be evidenced by such Commission officer's execution thereof.

**SECTION 306.           CONTINUING DISCLOSURE.**

The Continuing Disclosure Agreement in substantially the form attached hereto as Exhibit D is hereby approved, with such revisions, modifications and insertions as may be approved by the officers of the Commission executing the Continuing Disclosure Agreement, such approval to be evidenced by the execution thereof, and the President, Vice President, Secretary, Treasurer and/or Executive Director of the Commission is hereby authorized to execute and deliver the Continuing Disclosure Agreement on behalf of the Commission.

*SECTION 307.*            ESCROW DEPOSIT AGREEMENT.

The Escrow Deposit Agreement in substantially the form attached hereto as Exhibit E is hereby approved, with such revisions, modifications and insertions as may be approved by the officers of the Commission executing the Escrow Deposit Agreement, such approval to be evidenced by the execution thereof, and the President, Vice President, Secretary, Treasurer and/or Executive Director of the Commission is hereby authorized to execute and deliver the Escrow Deposit Agreement on behalf of the Commission.

*SECTION 308.*            DEPOSITORY TRUST COMPANY.

The Commission hereby designates DTC as the initial Securities Depository (as hereinafter defined) for the Series 2025 Bonds for the purpose of (1) holding (on behalf of its participants) the Series 2025 Bonds in safekeeping, and (2) performing the duties which are otherwise performed by the Paying Agent and Registrar. The Series 2025 Bonds may not be transferred or exchanged on the registration books of the Commission held by the Trustee as Registrar, except:

- (A) to any successor Securities Depository designated pursuant to this Section 308;
- (B) to any successor nominee designated by a Securities Depository; or

(C) if the Commission shall, by resolution, elect to discontinue the book-entry system pursuant to this Section 308, the Commission will cause the Trustee to authenticate and deliver replacement Series 2025 Bonds in fully registered form in authorized denominations in the names of the beneficial owners or their nominees, and thereafter the provisions of the Resolution regarding registration, transfer and exchange of the Series 2023 Bonds shall apply.

For the purpose of this Section 308, the term "Securities Depository" shall mean DTC and its successor or successors and any corporation or financial or banking institution which may be substituted in its place pursuant to the terms hereof. Any such Securities Depository shall have its office in the continental United States, shall be willing and able to accept the appointment upon reasonable and customary terms, and shall be authorized by law to perform all of the duties which are imposed upon it by the terms hereof and of the Resolution.

Upon the resignation of any institution acting as Securities Depository hereunder, or if the Commission determines that continuation of any institution in the role of Securities Depository is not in the best interests of the beneficial owners, the Commission will attempt to identify another institution qualified to act as Securities Depository hereunder, any such successor Securities Depository to be appointed by a Supplemental Resolution or a Certificate of an Authorized Commission Representative. If the Commission is unable to identify such successor Securities Depository prior to the effective date of the resignation, the Commission shall discontinue the book-entry system, as provided in this Section 308.

So long as the book-entry system is used for the Series 2025 Bonds, the Trustee will give notice of redemption or any other notices required to be given to Holders of Series 2025 Bonds only to the Securities Depository or its nominee, as the Registered Owner thereof. Any failure of the Securities Depository to advise any of its participants, or of any participant to notify the beneficial owner, of any such notice and its content or effect will not affect the validity of the redemption of Series 2025 Bonds called for redemption or of any other action premised on such notice. Neither the Commission nor the Trustee shall be responsible or liable for the failure of the Securities Depository or any participant thereof to make any payment or give any notice to a beneficial owner in respect of the Series 2025 Bonds, or for any error or delay relating thereto.

During any period in which the Series 2025 Bonds are subject to the book-entry system, the Securities Depository may make an appropriate notation on the Series 2025 Bonds indicating the date and amounts of any reduction in principal resulting from a partial redemption, acceleration or similar transaction necessitating a reduction in principal amount, other than any such reduction occurring on the final maturity date of a Series 2025 Bond (in which case the certificate evidencing such Series 2025 Bond must be surrendered to the Trustee prior to the payment thereof at maturity).

The Commission reserves the right to terminate the book-entry-only system for the Series 2025 Bonds if, in its sole discretion, it determines that such termination is for the benefit of the holders of the Series 2025 Bonds.

*SECTION 309.*            PAYMENT OF COSTS OF ISSUANCE.

The President, Vice President or Executive Director of the Commission is authorized and directed to pay or cause to be paid all of the approved costs associated with the sale and issuance of the Series 2025 Bonds, as approved by the Executive Director.

*SECTION 310.*            ADDITIONAL ACTS REGARDING SERIES 2025 BONDS.

The President, Vice President and Executive Director, together with all other Commission Officers (as defined in the Resolution) and the staff and consultants of the Commission, are hereby authorized and directed to take all actions which are necessary or which are convenient to effectuate the terms of the General Bond Resolution in connection with the issuance, sale and delivery of the Series 2025 Bonds. The Commission is also authorized to enter into any additional agreements and/or investments necessary in order to provide for the issuance of the Series 2025 Bonds.

The President, Vice President and Executive Director, together with all other Commission Officers, are hereby further severally authorized to (i) execute and deliver, and the Secretary of the Commission is hereby further authorized to attest to such execution and to affix the corporate seal of the Commission to, any document, instrument or closing certificate deemed necessary, desirable or convenient by said Commission Officer(s) or the Secretary of the Commission, as applicable, in their respective sole discretion, after consultation with the Consultants, to be executed in connection with the execution, sale and delivery of the Series 2025 Bonds and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as said Commission Officer(s) deem necessary, desirable or convenient in relation to the execution, sale and delivery of the Series 2025 Bonds and the consummation of the transactions contemplated thereby. Such closing certificates shall include, without limitation a determination that any information provided by or on behalf of the Commission or relating to the Commission, the Series 2025 Bonds or the transactions contemplated thereby in connection with the preparation and distribution of the Preliminary Official Statement and the Official Statement complies with Section 10 and Rule 10b-5 of the Securities Exchange Act.

The President, Vice President and Executive Director, together with all other Commission Officers, are hereby further severally authorized to utilize the proceeds of the Series 2025 Bonds or other available moneys held pursuant to the Resolution either (a) to purchase United States Treasury Obligations, State and Local Government Series ("SLGS") or (b) to select a firm to act as the Authority's broker or to select a bidding agent to solicit bids pursuant to a competitive solicitation process to purchase open market U.S. Treasury Obligations (which qualify as permissible defeasance obligations pursuant to the Prior Resolution), in the event that such Commission Officer determines that it is necessary or advantageous to the Commission to purchase such open market U.S. Treasury Obligations. Such U.S. Treasury Obligations shall mature on or before the dates when the proceeds thereof are needed to make payments in accordance with the Escrow Deposit Agreement. Notwithstanding the foregoing, nothing contained herein shall prohibit an Authorized Officer of the Authority from purchasing both SLGS and open market U.S. Treasury Obligations, to the extent permitted by law. The Escrow Agent and the Commission's financial advisor, NW Financial Group, LLC, are each hereby authorized to act as agent, if so directed by a Commission Officer, on behalf of the Commission for the subscription of SLGS via SLGSafe pursuant to the regulations promulgated therefor set forth in 31 C.F.R. Part 344.

The President, Vice President and Executive Director, together with all other Commission Officers and the staff and consultants of the Commission, are hereby authorized and directed to take all actions which are necessary or which are convenient to effectuate the terms of the General Bond Resolution in connection with the issuance, sale and delivery of the Series



2025 Bonds, including but not limited to, the preparation and distribution of a preliminary and final offering document and the appointment of a firm of independent certified public accountants to serve as verification agent with respect to the defeasance escrow to be established for the benefit of the Series 2014 Bonds to be refunded. The Commission is also authorized to enter into any additional agreements and/or investments necessary in order to provide for the issuance of the Series 2025 Bonds.

*SECTION 311.*        PRIOR ACTION.

All action which has been taken prior to the date hereof by the officers, employees, and agents of the Commission with respect to the sale of the Series 2025 Bonds is hereby approved and ratified.

**ARTICLE IV  
BOND INSURANCE**

*SECTION 401.*      BOND INSURANCE.

The Executive Director of the Commission is hereby authorized to determine, in consultation with the Commission's municipal advisor, whether it would be advantageous to cause all or a portion of the Series 2025 Bonds to be secured by a municipal bond insurance policy. If so determined, and if provision of said policy will result in debt service savings to the Commission, the Executive Director is hereby further authorized to negotiate the terms of any such municipal bond insurance policy (the "2025 Bond Insurance Policy"), to execute and deliver on behalf of the Commission a commitment letter with the applicable bond insurance company (the "2025 Bond Insurer") in respect of such bond insurance, to enter into an insurance agreement with the 2025 Bond Insurer in respect of such bond insurance, and (subject to the following paragraph) to incorporate the terms of such bond insurance in the General Bond Resolution and this Series 2025 Supplemental Resolution No. 1 by including the terms thereof in the Award Certificate.

The Commission hereby approves the terms of bond insurance contained in Exhibit F attached hereto, and the Executive Director is hereby authorized to accept terms of bond insurance substantially consistent with such approved terms, with such revisions, modifications and insertions as may be approved by the officers of the Commission executing the Bond Purchase Agreement, such approval to be evidenced by the execution thereof; provided, however, that any substantive changes from the terms set forth in said Exhibit F which materially increase the obligations of the Commission shall be approved in a Details Resolution.

The President, Vice President, Secretary, Treasurer and/or Executive Director of the Commission are each hereby authorized to execute and deliver on behalf of the Commission all additional documents necessary or desirable in connection with the 2025 Bond Insurance Policy.

**ARTICLE V  
MISCELLANEOUS**

*SECTION 501.*            EFFECTIVE DATE.

Pursuant to and in accordance with Section 806 of the General Bond Resolution, this Series 2025 Supplemental Resolution No. 1 shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy of this Series 2025 Supplemental Resolution No. 1, certified by the Secretary of the Commission or a person designated to serve in that capacity by the Commission together with the opinion of Bond Counsel required by Section 806 of the General Bond Resolution, and if applicable, the consent of any Bond Insurer or provider of any Credit Facility.

*SECTION 502.*            INCORPORATION OF REMAINDER OF RESOLUTION BY REFERENCE.

All provisions of the General Bond Resolution, as amended, other than those amended by the provisions of this resolution, are incorporated herein by reference as if set forth at length herein. Such provisions shall remain in full force and effect.

*SECTION 503.*            COVENANT AS TO COMPLIANCE WITH FEDERAL TAX MATTERS.

The Commission hereby covenants that it will take all actions within its control that are necessary to assure that interest on the Series 2025 Bonds is excludable from gross income under the Internal Revenue Code of 1986, as amended (the "Code"). The Commission will refrain from taking any action that would adversely affect the exclusion of interest on such Series 2025 Bonds from gross income under the provisions of the Code. To assist the Commission in complying with this covenant, the Commission may periodically request that its Bond Counsel and/or Municipal Advisor from time to time provide instructions to the Executive Director and Chief Financial Officer of the Commission concerning the application of the proceeds and investment income, if any, from such Series 2025 Bonds and the manner in which the record of expenditures and investments may be maintained.

*SECTION 504.*            PUBLICATION AND FILING.

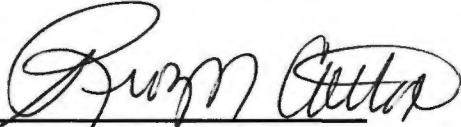
The Secretary is hereby directed to publish the Notice of Adoption of this Series 2025 Supplemental Resolution No. 1, in substantially the form attached hereto as Exhibit G, in the official newspaper(s) of the Commission and to file a certified copy of this Series 2025 Supplemental Resolution No. 1 with the Trustee, the Director of the Department of Local Government Services and with the Offices of the Clerks of the Owner Cities as prescribed by N.J.S.A. 40:62-133.5.

**RECORD OF COMMISSION VOTE ON FINAL PASSAGE**

	<b>AYE</b>	<b>NAY</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
<b>VAN RENSALIER, R.</b>	<u>X</u>	---	---	---
<b>COTTON, R.</b>	<u>X</u>	---	---	---
<b>LEVINE, J.</b>	<u>X</u>	---	---	---
<b>RIZZI, D.</b>	<u>X</u>	---	---	---
<b>DEPADUA, C.</b>	<u>X</u>	---	---	---
<b>FRIEND, G.</b>	<u>X</u>	---	---	---
<b>SANCHEZ, R.</b>	<u>X</u>	---	---	---

**Adopted at a meeting of Passaic Valley Water Commission.**

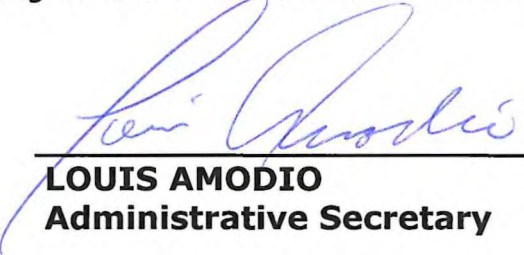
\_\_\_\_\_  
**President**  
**RIGO SANCHEZ**

  
 \_\_\_\_\_  
**Secretary**  
**RUBY N. COTTON**

**This Resolution, when adopted, must remain in the custody of the Administrative Secretary.**

**CERTIFICATION**

I, LOUIS AMODIO, Administrative Secretary of the Passaic Valley Water Commission in the County of Passaic, and the State of New Jersey do hereby certify that the foregoing Resolution is a true copy thereof of the foregoing Resolution duly passed and adopted by a majority of a legal quorum of the full membership of the Passaic Valley Water Commission at its duly noticed and convened meeting of the said Commission on January 24, 2025.

  
 \_\_\_\_\_  
**LOUIS AMODIO**  
**Administrative Secretary**

**EXHIBIT A**

**FORM OF SERIES 2025 BONDS**

**EXHIBIT A**  
**FORM OF SERIES 2025 BONDS**

**EXHIBIT A**

**FORM OF SERIES 2025 BONDS**

No. R-\_\_

\$ \_\_\_\_\_

**PASSAIC VALLEY WATER COMMISSION**

**WATER SUPPLY SYSTEM REVENUE REFUNDING BONDS, SERIES 2025**

<b>INTEREST RATE PER ANNUM</b>	<b>DATED DATE</b>	<b>MATURITY DATE</b>	<b>DATE OF AUTHENTICATION</b>	<b>CUSIP NUMBER</b>
___%	___/___/25	12/01/___	___/___/25	702845___

PASSAIC VALLEY WATER COMMISSION (hereinafter called the "Commission"), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey, acknowledges itself indebted and for value received hereby promises to pay to CEDE & CO. or registered assigns, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) on the MATURITY DATE stated above or on the date fixed for redemption, as the case may be, together with interest on such principal sum from the date of this bond until the Commission's obligation with respect to the payment of such principal sum shall be discharged, at the INTEREST RATE PER ANNUM stated above on June 1, 2025, and semiannually thereafter on the 1<sup>st</sup> day of June and December. This bond, as to principal or Redemption Price when due, will be payable at the principal corporate trust office of the Paying Agent upon surrender. Interest on this Bond will be payable by check and will be mailed to the registered owner hereof who shall appear on the registration books of the Commission which shall be kept and maintained by the Registrar hereinafter mentioned, as determined on the 15<sup>th</sup> day of May and November (the "Record Date") or, in the case of any proposed redemption of the Bond, next preceding the date of the first publication of notice of such redemption. Payment of the principal or Redemption Price of and interest on this 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 revenue bonds, each designated as "Water Supply System Revenue Refunding Bond, Series 2025 (the "Bond" or "Bonds") of the Commission, limited to the aggregate principal amount of \$ \_\_\_\_\_ and authorized and issued under and pursuant Section B, Article 8, Chapter 62 of Title 40 of the New Jersey statutes Annotated (N.J.S.A. 40:62-108 et seq.) (the "Act"), and under and in accordance with a resolution of the Commission duly adopted on May 27, 1992, and entitled "Resolution authorizing the Issuance of Water Supply System Revenue Bonds of the Passaic Valley Water Commission" as amended and supplemented, and specifically by a resolution adopted on January 24, 2025 and entitled "Series 2025 Supplemental Resolution No. 1 Supplementing The Passaic Valley Water Commission's General Bond Resolution Duly Adopted May 27, 1992, as Amended and Supplemented and Providing for the Issuance and Sale of Not To Exceed \$12,500,000 Principal Amount of Water Supply System Revenue Refunding Bonds, Series 2025 In One or More Series of the Commission and Determining Various Matters Pertaining Thereto" and an Award Certificate of the Executive Director dated \_\_\_\_\_, 2025 (collectively, the "Resolution"). Copies of the Resolution are on file in the office of the Commission in Clifton, New Jersey and at the principal corporate trust office of Manufacturers and Traders Trust Company (the "Trustee"), as trustee under the Resolution.

This Bond is a special obligation of the Commission and is payable from the Revenues of the

Commission, as such term is defined in the Resolution; provided however, that the power and obligation of the Commission to cause application of such Revenues or other funds to the payment of the principal or Redemption Price of and the interest on the Bonds is subject to the right of the Commission to pay Operating Expenses and to pay rebate to the United States government.

Pursuant to the terms of the Resolution, the Commission may hereafter issue additional Bonds (hereinafter called "Additional Bonds") for the purposes, in the amounts and on the conditions set forth in the Resolution. All Bonds issued and to be issued under the terms of the Resolution, including all Additional Bonds, are and will be equally secured by the pledge of the funds and revenues provided in the Resolution except as otherwise expressly provided in or pursuant to the terms of the Resolution.

Reference to the Resolution and any and all resolutions supplemental thereto and any modifications and amendments thereof and to the Act is made for a description of the nature and extent of the security for the Bonds, the funds or revenues pledged for the payment thereof, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the Holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and upon which they may be issued thereunder, and a statement of the rights, duties, immunities and obligations of the Commission and of the Trustee.

The provisions of the Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by action taken on behalf of the Commission in the manner and subject to the conditions and exceptions set forth in the Resolution. The pledge of the revenues and other obligations of the Commission under the terms of the Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon making of provision for the payment thereof on the terms and conditions set forth in the Resolution.

This Bond is transferable, as provided in the Resolution, only upon the registration books of the Commission kept and maintained for that purpose at the principal corporate trust office of Manufacturers and Traders Trust Company, Iselin, New Jersey (the "Registrar") by the registered owner hereof in person or by this attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or by such duly authorized attorney, together with the required signature guarantee, and thereupon the Commission shall issue in the name of the transferee a new registered Bond or Bonds, or the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Bond as provided in the Resolution,, upon payment of the charges therein prescribed. The Commission, the Trustee, the Registrar and any Paying Agent of the Commission may treat and consider the person in whose name this Bond is registered as the Holder and absolute owner of this Bond for the purpose of receiving payment of the principal or Redemption Price of and interest due thereon and for all other purposes.

Optional Redemption. The Bonds maturing prior to December 1, 20\_\_ are not subject to optional redemption prior to maturity. The Bonds maturing on or after December 1, 20\_\_ are subject to optional redemption on or after December 1, 20\_\_, at the option of the Commission, upon notice as provided in the Resolution, in whole or in part on any date, in such order of maturity as directed by the Commission, and by lot within a maturity, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

The Act provides that neither the members of the Commission nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof.

**The Bonds are not and shall not be in any way a debt or liability of the State of New Jersey or of any county or any municipality, and do not and shall not create or constitute any**

**indebtedness, liability or obligation of said State, or of any county or any municipality, either legal, moral or otherwise.**

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

This Bond shall not be entitled to any security or benefit under the terms of the Resolution or be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Trustee upon original issuance and thereafter by the Registrar.

IN WITNESS WHEREOF, THE PASSAIC VALLEY WATER COMMISSION has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its President or Vice President, and its corporate seal to be affixed, impressed or reproduced hereon, and this Bond and such seal to be attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the DATED DATE set forth above.

ATTEST:

PASSAIC VALLEY WATER COMMISSION

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
President

[SEAL]

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the Bonds described in the within-mentioned Resolution and is one of the "Water Supply System Revenue Refunding Bonds, Series 2025" of the Passaic Valley Water Commission.

Manufacturers and Traders Trust Company, as Trustee

By: \_\_\_\_\_  
Authorized Signature



**EXHIBIT B**  
**BOND PURCHASE AGREEMENT**

PASSAIC VALLEY WATER COMMISSION

\$ \_\_, \_\_, \_\_, 000 WATER SUPPLY SYSTEM REVENUE REFUNDING BONDS, SERIES 2025

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BOND PURCHASE CONTRACT

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February \_\_, 2025

Passaic Valley Water Commission  
1525 Main Avenue  
P.O. Box 230  
Clifton, New Jersey 07011

Ladies and Gentlemen:

On the basis of the representations, warranties and covenants contained in this Purchase Contract (this "*Purchase Contract*"), and upon the terms and conditions contained herein, the undersigned, a duly authorized representative of Raymond James & Associates, Inc., New York, New York, as underwriter (the "*Underwriter*") and not acting as fiduciary or agent for the Passaic Valley Water Commission (the "*Commission*"), hereby offers to enter into this Purchase Contract with the Commission, which, upon your written acceptance of this offer, will be binding upon the Commission and the Underwriter. This offer is subject to approval and written acceptance hereof by the Commission no later than 11:00 p.m., prevailing local time, on the date hereof. If this offer is not accepted on or before 11:00 p.m., prevailing local time, on the date hereof, this offer will terminate unless the Commission and the Underwriter agree in writing to extend the time for the Commission's acceptance.

Unless otherwise expressly provided herein, or unless the context clearly requires otherwise, capitalized terms used but not defined in this Purchase Contract shall have the respective meanings ascribed thereto in the Preliminary Official Statement (as hereinafter defined).

1. **Purchase and Sale.** The Underwriter hereby agrees to purchase, and the Commission authorizes the sale to the Underwriter of, all (but not less than all) of the Commission's \$ \_\_, \_\_, \_\_, 000 aggregate principal amount of Water Supply System Revenue Refunding Bonds, Series 2025 (the "*Bonds*"), dated their date of delivery. The maturity dates, principal amounts, redemption provisions, interest rates per annum and initial public offering prices or yields of the Bonds are as set forth in **Exhibit A** attached hereto and made a part hereof. Inasmuch as this purchase and sale represents a negotiated transaction, the Commission acknowledges and agrees that: (i) the transaction contemplated by this Purchase Contract is an arm's-length, commercial transaction between the Commission and the Underwriter in which the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the Commission; (ii) in connection with such transaction, including the process leading thereto, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Commission; (iii) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the Commission with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Commission on other matters) nor has

it assumed any other obligation to the Commission except the obligations expressly set forth in this Purchase Contract; (iv) the Underwriter has financial and other interests that differ from those of the Commission; and (v) the Commission has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

The purchase price for the Bonds shall be \$\_\_\_\_\_ (the "*Purchase Price*"). The Purchase Price reflects the principal amount of the Bonds *plus* [net] original issue premium in the amount of \$\_\_\_\_\_ less an Underwriter's discount in the amount of \$\_\_\_\_\_.

The Purchase Price shall be paid by the Underwriter on the date of the Closing referred to in Section 8 of this Purchase Contract in immediately available funds. It shall be a condition to the obligation of the Commission to deliver the Bonds to the Underwriter, and to the obligation of the Underwriter to purchase, accept delivery of and pay for the Bonds, that the entire amount of the Bonds to be sold pursuant to Section 1 hereof shall be delivered by the Commission and purchased, accepted and paid for by the Underwriter at the Closing.

2. **Authorization and Security for Bonds.** The Bonds shall be as described in and shall be issued under and pursuant to: (i) the provisions of P.L. 1923, c. 195, as amended and supplemented (N.J.S.A. 40:62-108 to -150.2) (the "*Act*"); (ii) a resolution of the Commission duly adopted on May 27, 1992 (the "*General Bond Resolution*"), as amended and supplemented, including by a supplemental resolution of the Commission duly adopted on [DATE], 2025 (the "*Supplemental Resolution*"); and (iii) an Award Certificate executed by an authorized officer of the Commission of even date herewith (the "*Award Certificate*"; and together with the General Bond Resolution and the Supplemental Resolution, the "*Bond Resolution*").

The Bonds are being issued to provide funds that will be used[, together with funds on hand,] to: (i) currently refund the Commission's outstanding Water Supply System Revenue Bonds, Series 2014, maturing on December 15 in each of the years 2025 through 2033, inclusive, in the aggregate principal amount of \$11,705,000, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption (the "*Refunded Bonds*"); and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds[, including payment of the bond insurance premium].

The Bonds are special obligations of the Commission, payable from and secured by a pledge of certain Revenues of the Commission, subject to the Commission's right to pay Operating Expenses and the obligation to rebate certain amounts to the United States government and by the other property pledged under the Bond Resolution. The Bonds are not in any way a debt or liability of the State of New Jersey or of any local unit or of any county or municipality, and shall not create or constitute any indebtedness, liability or obligation of the State of New Jersey or of any local unit, county or municipality, either legal, moral or otherwise, and nothing contained in the Act shall be construed to authorize the Commission to incur any indebtedness on behalf of or in any way obligate the State of New Jersey or any county or municipality. The Commission has no power to levy or collect taxes.

[Payments of the principal of and interest on the Bonds, when due, are also secured under a municipal bond insurance policy (the "*Bond Insurance Policy*") to be issued simultaneously with the delivery of the Bonds by [Name of Bond Insurer] (the "*Bond Insurer*").]

Upon delivery of the Bonds, the Commission will enter into an Escrow Deposit Agreement, dated the date of delivery of the Bonds (the "*Escrow Agreement*"), with Manufacturers and Traders Trust Company, as escrow agent (the "*Escrow Agent*"), to provide for the redemption of the Refunded Bonds. Upon receipt of the proceeds of the Bonds, the Escrow Agent will deposit in an escrow deposit fund (the "*Escrow Deposit Fund*") established by the Escrow Agreement the amount that will be invested in non-

callable, direct obligations of the United States of America (collectively, the "*Escrow Securities*") maturing in amounts and bearing interest at rates sufficient, without reinvestment, to pay when due interest on and, upon redemption, the outstanding principal of the Refunded Bonds. The Escrow Deposit Fund, including the interest earnings on the Escrow Securities, is pledged solely for the benefit of the holders of the Refunded Bonds and is not available to pay the Bonds. The balance of the proceeds of the Bonds will be used to pay certain costs of issuance and the Underwriter's discount.

The Commission will enter into a Continuing Disclosure Agreement for the Bonds (the "*Continuing Disclosure Agreement*"), wherein it shall covenant, for the benefit of the holders and beneficial owners of the Bonds, to provide certain financial information and operating data relating to the Commission and notices of certain enumerated events, as applicable.

3. **Delivery of Official Statement and Other Documents.** (a) The Commission has previously delivered to the Underwriter a Preliminary Official Statement, dated February \_\_, 2025, in connection with the public offering of the Bonds in "deemed final" form as required by paragraph (b)(1) of Securities and Exchange Rule 15c2-12 ("*Rule 15c2-12*") (such Preliminary Official Statement, together with the Appendices attached thereto, shall be referred to as the "*Preliminary Official Statement*"). The Commission shall deliver, or shall cause to be delivered, to the Underwriter within seven (7) business days from the date hereof a sufficient number of copies of the final Official Statement dated the date hereof (the "*Official Statement*"), in substantially the form of the Preliminary Official Statement with only such changes and insertions therein from the Preliminary Official Statement as shall have been approved by the Underwriter to enable the Underwriter to comply with paragraph (b)(4) of Rule 15c2-12 and with Rule G-36 and all other applicable rules of the Municipal Securities Rulemaking Board (the "*MSRB*") then in effect. The Commission hereby authorizes the use of the Official Statement in connection with the public offering and sale of the Bonds by the Underwriter. The Commission hereby ratifies and confirms its consent to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds.

(b) The Underwriter agrees that it shall deliver the Official Statement for uploading to the Electronic Municipal Market Access system website of the MSRB and will comply with the requirements of Rule G-32 of the MSRB. Unless the Underwriter otherwise notifies the Commission in writing, the Underwriter agrees that the "end of the underwriting period" for purposes of Rule 15c2-12 shall be the date of the Closing. The Underwriter further agrees that it will comply with Rule G-36 of the MSRB.

(c) From the date hereof through the 25th day after the end of the underwriting period for purposes of Rule 15c2-12, if any event shall occur that would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and if, in the opinion of the Commission and the Underwriter, such event requires the preparation and publication of a supplement or an amendment to the Official Statement, the Commission will cause the Official Statement to be so supplemented or amended in a form approved by the Underwriter at the sole cost and expense of the Commission and will furnish to the Underwriter a reasonable number of copies of such supplement or amendment.

4. **Establishment of Issue Price.** (a) The Underwriter agrees to assist the Commission in establishing the issue price of the Bonds and shall execute and deliver to the Commission at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit C**, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Commission and Bond Counsel (as hereinafter defined), to reflect accurately, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Commission under this

Section 4 to establish the issue price of the Bonds may be taken on behalf of the Commission by Bond Counsel and any notice or report to be provided to the Commission may be provided to Bond Counsel.

(b) Except as otherwise set forth in Exhibit A attached hereto, the Commission will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the Commission and Bond Counsel the price or prices at which it has sold to the public each maturity of the Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Commission and Bond Counsel the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity; *provided*, that the Underwriter's reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Commission or Bond Counsel. For purposes of this Section 4, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Commission and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Commission to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Commission promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity; *provided*, that the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise

upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter;

(B) promptly to notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public; and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public; and

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity; *provided*, that the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Commission acknowledges that, in making the representations set forth in this Section 4, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Commission further acknowledges that the Underwriter shall not be liable for the failure of any dealer that is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public shall not constitute sales to the public for purposes of this Section 4. Further, for purposes of this Section 4:

(1) "*public*" means any person other than an underwriter or a related party;

(2) "*underwriter*" means (A) any person that agrees pursuant to a written contract with the Commission (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

(3) a purchaser of any of the Bonds is a "*related party*" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(4) "*sale date*" means the date of execution of this Purchase Contract by all parties.

5. **Representations, Warranties and Agreements of Commission.** By its acceptance hereof, the Commission represents and warrants to and agrees with the Underwriter (and it shall be a condition of the obligation of the Underwriter to purchase and to accept delivery of the Bonds that the Commission shall so represent, warrant and agree as of the date of the Closing) that, as of the date hereof:

(a) the Commission is a public body corporate and politic of the State of New Jersey (the "*State*") duly organized and presently existing under the Act;

(b) the members of the Commission are the duly appointed, qualified and presently acting members of the Commission;

(c) the Commission is authorized by the laws of the State, including the Act, to enter into this Purchase Contract, the Escrow Agreement and the Continuing Disclosure Agreement (collectively, the "*Commission Documents*"), to adopt the Bond Resolution, to execute the Award Certificate and to issue the Bonds;

(d) the Commission has complied with the laws of the State and has full power and authority to enter into the Commission Documents and the transactions contemplated thereby, including, *inter alia*, the issuance of the Bonds;

(e) by official action of the Commission taken prior to or concurrent with the acceptance hereof, the Commission has duly authorized, approved and consented to all necessary action to be taken by the Commission for: (i) the execution, delivery and performance of the Commission Documents and the transactions contemplated thereby and as described in the Preliminary Official Statement; (ii) the issuance of the Bonds upon the terms set forth herein and as described in the Preliminary Official Statement; (iii) the approval of the Preliminary Official Statement and the Official Statement and any amendment thereof or supplement thereto; and (iv) the execution, delivery and due performance of any and all other agreements and instruments that may be required to be executed and delivered by the Commission to which it is a party in order to carry out, to give effect to and to consummate the transactions contemplated by this Purchase Contract;

(f) the Commission Documents, when duly authorized, executed and delivered, will constitute legal, valid and binding obligations of the Commission enforceable against the Commission in accordance with their respective terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other laws or legal or equitable principles affecting the enforcement of creditors' rights generally ("*Creditors' Rights Limitations*");

(g) the execution and delivery by the Commission of the Commission Documents and performance of the obligations on the Commission's part contained therein will not conflict with or constitute a breach of or default under any material constitutional provision, law, administrative

regulation, judgment, decree, loan agreement, indenture, bond, note, ordinance, resolution, agreement or other instrument to which the Commission is a party or to which the Commission or any of its properties or other assets is otherwise subject, nor will any such execution, delivery or performance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or other assets of the Commission under the terms of any such law, regulation or instrument, except as provided or permitted by the aforementioned documents;

(h) all approvals, consents and orders, if any, of any governmental authority, legislative body, board or agency having jurisdiction in any matter that would constitute a condition precedent to or the absence of which would materially and adversely affect the due performance by the Commission of its obligations under the Commission Documents, the Bonds and the transactions contemplated thereby have been, or prior to the Closing will have been, duly obtained, it being understood that this representation and warranty does not extend to such approvals, consents and orders as may be required under the "blue sky" or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(i) the Bonds, when issued and delivered in accordance with the Bond Resolution and sold to the Underwriter as provided herein, will constitute legal, valid and binding obligations of the Commission enforceable in accordance with the terms thereof from the sources therein referred to, except to the extent that enforcement thereof may be limited by Creditors' Rights Limitations;

(j) the information contained in the Preliminary Official Statement and the Official Statement, including any amendment or supplement thereto, relating to the Commission, its operations and the Commission's participation in the transactions contemplated hereby and as described in the Preliminary Official Statement and the Official Statement (except for information in the forepart thereof under the headings "BOOK-ENTRY ONLY SYSTEM"[, "BOND INSURANCE"] and "RATINGS" and the financial and statistical data included in the forepart thereof and in Appendices A and B thereto, as to which no view is expressed) are, and as of the date of the Closing will be, true, correct and complete in all material respects, and such information does not and will not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(k) except as may otherwise be disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency or public board or body pending or, to the best knowledge of the Commission, threatened adversely affecting the existence of the Commission or the entitlement of its officers or members to their respective offices, or that may affect or seeks to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or the execution and delivery of this Purchase Contract, or that contests the exclusion from gross income for federal income tax purposes of the interest on the Bonds or the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or that contests the powers of the Commission or any authority or proceedings for the issuance, sale or delivery of the Bonds, the adoption of the Bond Resolution or the execution and delivery of the Commission Documents;

(l) the Commission will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriter as the Underwriter may reasonably request, at no cost to the Commission, in order to: (i) qualify the Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate; and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for the distribution of the Bonds, it being understood that the Commission will not be required to execute a general or special consent to service of process or to qualify as a foreign corporation in connection with any such qualification or determination;



(m) if between the date of this Purchase Contract and the date of the Closing any event shall occur to the knowledge of the Commission that would or might cause the material contained in the Preliminary Official Statement or the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Commission shall notify the Underwriter thereof, and if in the reasonable opinion of the Underwriter such event requires the preparation and publication of a supplement or an amendment to the Official Statement, the Commission will fully cooperate with the Underwriter in supplementing or amending the Official Statement, in form and content reasonably satisfactory to the Underwriter and the Commission;

(n) between the date of this Purchase Contract and the date of the Closing, the Commission will not, without the prior written consent of the Underwriter, issue, sell or otherwise participate in the offering of any bonds, notes or other debt obligations;

(o) any certification signed by any member of the Commission or the Executive Director of the Commission and delivered to the Underwriter shall be deemed to be a representation and warranty of the Commission to the Underwriter as to the truth of the statements made therein;

(p) the Commission covenants that, between the date hereof and the date of the Closing, it will take no action that will cause the representations and warranties made herein to be untrue as of the date of the Closing;

(q) the Commission, immediately after the Closing, will apply the proceeds of the sale of the Bonds as specified in the Escrow Agreement and as more fully described in the Official Statement and the certificates delivered at the Closing;

(r) the Bond Resolution has been duly adopted by the Commission, is in full force and effect and has not been modified or rescinded;

(s) the Commission is not in violation of or in default (or with the lapse of time and/or receipt of appropriate notice would be in default) under any existing applicable law, court or administrative regulation, judgment, decree, order, agreement, indenture, mortgage, lease or sublease to which the Commission or any of its properties is a party or is otherwise bound that would have a material and adverse effect upon the financial condition or operations of the Commission or the transactions contemplated by this Purchase Contract and as described in the Preliminary Official Statement and the Official Statement; and

(t) the Commission has never defaulted in the payment of the principal of or interest on any of its bonds, notes or other obligation.

6. **Representations and Warranties of Underwriter.** By execution and delivery of this Purchase Contract, and to the extent applicable to the transactions contemplated herein, the Underwriter represents and warrants that, as of the date hereof:

(a) the Underwriter has been duly authorized to execute this Purchase Contract and has the full power and authority to comply with the provisions hereof;

(b) the payment for, acceptance of and delivery and execution of any receipt for the Bonds shall be made solely by the Underwriter and shall be valid and sufficient for all purposes and binding upon the Underwriter;

(c) this Purchase Contract has been duly authorized, executed and delivered by the Underwriter and, assuming the due authorization, execution and delivery of this Purchase Contract by the Commission, will constitute a legal and binding obligation of the Underwriter enforceable against the Underwriter in accordance with the terms hereof, except to the extent that enforcement hereof may be limited by Creditors' Rights Limitations;

(d) the Underwriter has complied, and expects in the future to comply, with the requirements of Rule 15c2-12 and the requirements and rules of the MSRB to the extent applicable to the transactions contemplated herein (including, but not limited to, MSRB Rule G-17 and MSRB Rule G-32) and all other regulatory agencies;

(e) the Underwriter is registered under the Securities Exchange Act of 1934, as amended, as a broker or dealer, or is exempt from such registration pursuant to rules promulgated or an order issued by the Securities and Exchange Commission (the "SEC"), and it is in compliance with the requirements of Rule G-38 of the MSRB;

(f) the Underwriter has not entered into any undisclosed financial or business relationships, arrangements or practices required to be disclosed in the Preliminary Official Statement and the Official Statement in connection with the initial primary offering of the Bonds, pursuant to SEC Release No. 33-7049; 34-33741; FR-42; File No. S7-4-94 (March 9, 1994), or required to be disclosed in the Preliminary Official Statement and the Official Statement pursuant to MSRB rules;

(g) the Underwriter is in compliance with the provisions of Rule G-37 of the MSRB; and

(h) the Underwriter: (i) will make available at the request of the Commission a list of political contributions in accordance with the requirements of N.J.S.A. 19:44A-20.26; and (ii) will, if required by N.J.S.A. 19:44A-1 *et seq.*, make all filings to the New Jersey Election Law Enforcement Commission on or before the annual reporting date set forth therein.

7. **Survival of Representations, Warranties and Agreements.** All representations, warranties, covenants and agreements of the Commission and the Underwriter contained in this Purchase Contract shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Commission or the Underwriter, as applicable, and shall survive: (i) delivery of the Bonds to the Underwriter and payment by the Underwriter therefor pursuant to this Purchase Contract; or (ii) termination of this Purchase Contract.

8. **Closing.** At 10:00 a.m., prevailing local time, on February \_\_, 2025, or at such later time or on such other date as may be agreed upon by the Commission and the Underwriter, the Commission shall, subject to the terms and conditions hereof, deliver the duly executed and authenticated Bonds to Manufacturers and Traders Trust Company (the "Trustee"), in definitive form, together with the other documents hereinafter mentioned, and subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the Purchase Price for the Bonds (as set forth in Section 1 hereof). Such delivery of and payment for the Bonds is herein called the closing (the "Closing"). Unless otherwise agreed to by the Underwriter, the Bonds will be delivered pursuant to the F.A.S.T. delivery system of The Depository Trust Company ("DTC"). Delivery of the other documents hereinafter mentioned shall occur at the offices of Dilworth Paxson LLP, Freehold, New Jersey ("Bond Counsel"), or at such other place as agreed upon by the Commission and the Underwriter.

The Bonds shall be prepared in fully registered, book-entry-only form, acceptable to DTC, and shall be made available to the Underwriter and DTC at least one (1) business day prior to the Closing for purposes of inspection at such place as the Underwriter, the Commission and the Trustee may mutually agree. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the

failure to print such numbers on any Bond nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for any Bonds. The Underwriter shall obtain and pay for the CUSIP numbers.

9. **Closing Conditions.** The Underwriter is entering into this Purchase Contract in reliance upon the representations, warranties and agreements of the Commission contained herein, in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Commission of its covenants and agreements hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligation under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Commission of its covenants and agreements to be performed hereunder and under such other documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) the representations and warranties of the Commission contained herein shall be true, complete and correct in all material respects on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) at the time of the Closing, the Bond Resolution and this Purchase Contract shall be in full force and effect and shall not have been amended, modified, supplemented or rescinded since the date hereof, and the Official Statement as delivered to the Underwriter in accordance with the terms of Section 3 hereof shall not have been supplemented or amended without the consent of the Underwriter and no event or circumstance shall have occurred that, in the reasonable opinion of the Underwriter, would require such supplement or amendment; and

(c) at or prior to the Closing, the Commission shall have performed all of its obligations required under or specified in this Purchase Contract to be performed at or prior to the date of the Closing, and the Underwriter shall have received each of the following documents:

(1) a certificate of incumbency and signatures of the members of the Commission and its authorized officers;

(2) certified copies of the Bond Resolution and all other resolutions, if any, relating to the issuance and sale of the Bonds;

(3) an executed copy of the Continuing Disclosure Agreement;

(4) an executed copy of this Purchase Contract;

(5) an executed copy of the Official Statement;

(6) a tax certification of the Commission, executed by the President or Executive Director, pursuant to applicable provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, as to the reasonable expectations of the Commission as to the use, application and investment of proceeds of the Bonds;

(7) Internal Revenue Service Form 8038-G, executed by the Commission in form and substance satisfactory for filing, relating to the Bonds;

(8) a certificate or certificates of the Commission, satisfactory in form and substance to the Underwriter, executed by the President or Executive Director, dated the date of the Closing, to the effect that: (i) such signatory is duly authorized and directed to certify on behalf of the

Commission; (ii) the representations and warranties of the Commission contained in Section 5 hereof are true and correct in all material respects as of the date of the Closing; (iii) the information in the Official Statement provided under the headings "INTRODUCTION", "PURPOSE OF ISSUE", "SECURITY FOR THE BONDS", "ADDITIONAL CAPITAL IMPROVEMENTS", "THE COMMISSION", "COMPOSITION AND MANAGEMENT OF THE COMMISSION" and "CONTINUING DISCLOSURE" are correct in all material respects and do not omit any material statements that should be included or referred to therein; (iv) to the best of such officer's knowledge, there are no material legal or governmental proceedings, pending or threatened, against or affecting the Commission or its property, except as described in the Official Statement; (v) in the course of such officer's participation in the review of the Official Statement and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement (other than with respect to the information contained in the sections of the Official Statement referred to in subparagraph (iii) above), nothing has come to such officer's attention that would lead such officer to believe that the Official Statement (except for information in the forepart thereof under the headings "BOOK-ENTRY ONLY SYSTEM"[, "BOND INSURANCE"] and "RATINGS", as to which no view need be expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect; and (vi) to the best of such officer's knowledge, after reasonable investigation, no event affecting the Commission has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect;

(9) the unqualified approving legal opinion of Bond Counsel, dated the date of the Closing, in substantially the form set forth in Appendix E to the Official Statement;

(10) a letter from Bond Counsel, dated the date of the Closing and addressed to the Underwriter[, the Bond Insurer] and the Trustee, permitting such parties to rely upon the opinion described in the preceding subparagraph (9);

(11) a supplemental opinion of Bond Counsel, dated the date of the Closing and addressed to the Commission, the Underwriter[, the Bond Insurer] and the Trustee, to the effect that: (i) the Commission has duly authorized the execution and approved the distribution of the Official Statement; (ii) no approval or other action is required by any governmental authority or agency in connection with the adoption by the Commission of the Bond Resolution, the execution by the Commission of this Purchase Contract, the Bonds, the Escrow Agreement, the Continuing Disclosure Agreement or the Official Statement or the performance by the Commission of its obligations under such documents that has not already been obtained or taken, with the exception that the offer and sale of the Bonds in certain jurisdictions may be subject to the provisions of the securities or "blue sky" laws of such jurisdiction; (iii) this Purchase Contract, the Bonds, the Escrow Agreement and the Continuing Disclosure Agreement have been duly authorized, executed and delivered by the Commission and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding agreements of the Commission, enforceable against the Commission in accordance with their respective terms, except to the extent that enforcement thereof may be limited by Creditors' Rights Limitations; (iv) the information and statements in the Official Statement (insofar as such statements and information purport to describe the Bonds, the Bond Resolution or other legal matters relating thereto) under the headings "AUTHORIZATION FOR THE BONDS", "DESCRIPTION OF THE BONDS", "OPTIONAL REDEMPTION", "SECURITY FOR THE BONDS", "BONDHOLDERS' RISKS – Bankruptcy", "LEGALITY FOR INVESTMENT", "PLEDGE OF THE STATE OF NEW

JERSEY IN THE ACT", "APPROVAL OF LEGALITY", "TAX MATTERS" and "CONTINUING DISCLOSURE" (first paragraph only), and on the cover page with respect thereto and in the definitions and summaries of the legal documents included in Appendix C thereto, are reasonable summaries thereof; (v) in the course of such counsel's participation in the review of the Official Statement as Bond Counsel and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement (other than with respect to the information contained in the sections of the Official Statement referred to in subparagraph (iv) above), nothing has come to its attention that would lead it to believe that the Official Statement (except for information in the forepart thereof under the headings "BOOK-ENTRY ONLY SYSTEM"[, "BOND INSURANCE"] and "RATINGS" and the financial and statistical data included in the forepart thereof and in Appendices A and B thereto, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect; and (vi) the Bonds are exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and it is not necessary in connection with the sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Bond Resolution under the Trust Indenture Act of 1939, as amended;

(12) an opinion of Yaacov Brisman, Esq., General Counsel to the Commission, dated the date of the Closing and addressed to the Commission, Bond Counsel, the Underwriter[, the Bond Insurer] and the Trustee, to the effect that: (i) the Commission was created in 1927 as a public body corporate and politic by appointment by a Justice of the New Jersey Supreme Court on the application of the Cities of Paterson, Passaic and Clifton in accordance with the provisions of, and is validly existing under and by virtue of, the laws of the State and, in particular, the Act, and has the full legal right and authority to (a) adopt the Bond Resolution, (b) enter into and perform its obligations under this Purchase Contract, the Escrow Agreement and the Continuing Disclosure Agreement, and (c) issue, offer, sell or deliver the Bonds to the Underwriter; (ii) all members of the Commission voting at any of the meetings of the Commission where action was taken in connection with the authorization, sale and execution of the Bonds or the authorization and execution of this Purchase Contract, the Escrow Agreement and the Continuing Disclosure Agreement and all officers of the Commission acting on its behalf in connection with the authorization, sale and execution of the Bonds and the authorization and execution of this Purchase Contract, the Escrow Agreement and the Continuing Disclosure Agreement are duly appointed and have full authority to act in such capacities, all in accordance with the Act; (iii) the execution and delivery of this Purchase Contract, the Escrow Agreement, the Continuing Disclosure Agreement and the Bonds and the adoption of the Bond Resolution, and compliance therewith, will not conflict with or constitute a breach of or default under any agreement or other instrument to which the Commission is a party or, to the best of such counsel's knowledge after due inquiry, any existing law, administrative regulation, court order or consent decree to which the Commission is subject; (iv) to the best of such counsel's knowledge after due inquiry, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the Commission, wherein an unfavorable decision, ruling or finding would have a materially adverse effect upon the transactions contemplated by the Official Statement and this Purchase Contract or the validity of the Bonds, the Bond Resolution or this Purchase Contract, except as described in the Official Statement; (v) the information in the Official Statement provided under the headings "THE COMMISSION", "COMPOSITION AND MANAGEMENT OF THE COMMISSION" and "LITIGATION" (insofar as it relates to the Commission) is correct in all material respects and does not omit any material statements that should be included or referred to therein; (vi) to the best of such counsel's knowledge after due inquiry, there are no material legal or governmental proceedings, pending or

threatened, against or affecting the Commission or its property, except as described in the Official Statement; and (vii) in the course of such counsel's participation in the review of the Official Statement as counsel for the Commission and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement (other than with respect to the information contained in the sections of the Official Statement referred to in subparagraph (v) above), nothing has come to his attention that would lead him to believe that the Official Statement (except for information in the forepart thereof under the headings "BOOK-ENTRY ONLY SYSTEM"[, "BOND INSURANCE"] and "RATINGS" and the financial and statistical data included in the forepart thereof and in Appendices A and B thereto, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect;

(13) an executed copy of the Escrow Agreement and a certificate as to representations of the Escrow Agent, dated the date of the Closing, in form and substance reasonably satisfactory to the Underwriter and Bond Counsel;

(14) a copy of the verification report of Wielkottz & Company, LLC (the "*Verification Agent*"), dated the date of the Closing and addressed to the Commission, Bond Counsel and the Underwriter;

(15) receipts evidencing delivery of and payment for the Bonds;

(16) certificates from the Consulting Engineer and the Accountant as required pursuant to the Bond Resolution;

(17) [receipt of the Bond Insurance Policy to be issued by the Bond Insurer concurrently with the delivery of the Bonds, along with the appropriate certificates and opinion of counsel to the Bond Insurer in customary form;]

(18) [receipt of an "AA" insured rating (based upon the issuance of the Bond Insurance Policy by the Bond Insurer) on the Bonds by S&P Global Ratings, acting through Standard & Poor's Financial Services LLC, as evidenced by a letter signed by an authorized officer of said organization;]

(19) receipt of an underlying rating of "[Aa3]" on the Bonds by Moody's Ratings, as evidenced by a letter signed by an authorized officer of said organization;

(20) a certificate or letter dated the date of the Closing from Wielkottz & Company, LLC, Certified Public Accountants for the Commission, addressed to the Commission and the Underwriter, to the effect that: (i) said firm consents to the use of its name in the Preliminary Official Statement and the Official Statement and to the use of its report appearing in Appendix B thereto; (ii) there has been no material and adverse change in the financial status of the Commission since the date of the report referenced under clause (i) of this subparagraph; and (iii) its report appearing in the Preliminary Official Statement and the Official Statement is accurate in all material respects and does not omit to state a material fact that is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(21) a certificate, dated the date of the Closing, signed by an authorized officer of Manufacturers and Traders Trust Company (the "*Bank*"), in form and substance satisfactory to the

Underwriter, as to the incumbency and signing authority of the Bank and to the effect that: (i) the duties and obligations of the Bank, as Trustee under the Bond Resolution, have been duly accepted; and (ii) the acceptance by the Bank of the duties and obligations of Trustee under the Bond Resolution and compliance with the provisions thereof will not conflict with or constitute a breach of or default under any law, administrative regulation, consent decree or any agreement or other instrument to which the Bank is a party or may be subject;

(22) an opinion of Rogut McCarthy LLC, counsel to the Trustee, dated the date of the Closing and in form and substance satisfactory to Bond Counsel and the Underwriter;

(23) a copy of the duly executed Blanket Letter of Representations between the Commission and DTC;

(24) an opinion of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, counsel to the Underwriter, dated the date of the Closing and addressed to the Underwriter, in substantially the form set forth in Exhibit B attached hereto; and

(25) any other opinions, certificates or documents reasonably requested by the Underwriter or Bond Counsel.

All of the evidence, opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Underwriter and Bond Counsel.

If the Commission shall be unable to satisfy the conditions to the Underwriter's satisfaction of the obligations contained in this Purchase Contract and such conditions are not waived by the Underwriter in its reasonable discretion, or if any obligation of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the Commission shall have any liability or further obligation hereunder, except that if any expenses identified in Section 11 hereof (other than expenses of the Underwriter) are payable notwithstanding the failure to complete the Closing, the Commission shall pay the same.

10. **Termination.** The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Purchase Contract by written notice to the Commission if, between the date hereof to and including the Closing, in the Underwriter's sole and reasonable judgment, any of the following events shall occur (each a "*Termination Event*"):

(a) the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

(1) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds; or

(2) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamities or crises; or

(3) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(4) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Bonds, the Bond Resolution or the Commission Documents, or any comparable securities of the Commission, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended, or otherwise, or would be in violation of any provision of the federal securities laws; or

(5) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the Commission shall have occurred; or

(6) any rating on: (i) securities of the Commission that are secured by a pledge or application of the Revenues on a parity with the Bonds is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or (ii) if the Bonds (or any portion thereof) are insured by the Bond Insurance Policy or supported by any type of credit support facility[, the Bond Insurer] or the credit support facility provider is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(b) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and, in either such event, the Commission refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(c) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(d) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(e) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock



Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(f) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Contract or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended.

11. **Expenses.** (a) The Commission acknowledges that it has had an opportunity, in consultation with such advisors as it has deemed appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds. The Underwriter shall be under no obligation to pay, and the Commission shall pay, all expenses incidental to the performance of the Commission's obligations hereunder, including, but not limited to:

(i) the costs of the preparation and printing or other reproduction of the Bond Resolution, the Preliminary Official Statement, the Official Statement, the Commission Documents and the certificates and opinions of the Commission to be delivered at the Closing;

(ii) the costs of the preparation and printing of the Bonds;

(iii) [the premium for the Bond Insurance Policy;] and

(iv) the fees and disbursements of Bond Counsel, General Counsel to the Commission, the Commission Auditor, the Verification Agent, the Municipal Advisor, counsel to the Underwriter, the Trustee/Escrow Agent and its counsel, and any other expert or consultant retained by the Commission, including the fees payable to any rating agency.

(b) The Underwriter shall pay all expenses relating to the registration or qualification of the Bonds for investment in connection with the public offering and distribution of the Bonds, including the fees and disbursements associated with the assignment of CUSIP Numbers by the CUSIP Service Bureau and any costs associated with DTC.

12. **Remedies Upon Default.** (a) In the event the Commission refuses to deliver the Bonds or refuses to satisfy the conditions precedent to the purchase and delivery of the Bonds under this Purchase Contract that are within its control, the Underwriter shall be entitled to receive its actual damages, reasonable expenses and legal fees.

(b) In the event the Commission is unable to deliver the Bonds or to satisfy the conditions under which the Underwriter is obligated to purchase and accept delivery of the Bonds, or the obligations of the Underwriter shall be terminated for any reason permitted hereunder, this Purchase Contract shall become null and void and the parties hereto shall have no further obligations hereunder.

(c) In the event the Underwriter fails (other than for a Termination Event) to accept delivery of and pay for the Bonds at the Closing as provided herein, the Commission shall be entitled to receive its actual damages, reasonable expenses and legal fees.

13. **Notices.** Any notice or other communication to be given to the Commission or the Underwriter under this Purchase Contract may be given by delivering the same in writing to the following addresses:

Commission: Passaic Valley Water Commission  
1525 Main Avenue  
P.O. Box 230  
Clifton, New Jersey 07011  
Attention: James Mueller, Executive Director

Underwriter: Raymond James & Associates, Inc.  
320 Park Avenue – 12th Floor  
New York, New York 10023  
Attention: Amanda M. Del Bene, Managing Director

14. **Parties in Interest.** This Purchase Contract is made solely for the benefit of the Commission and the Underwriter (including the successors or assigns of the Underwriter), and no other person shall acquire or have any right hereunder or by virtue hereof.

15. **Effectiveness.** This Purchase Contract shall become effective, assuming the valid execution hereof by an authorized representative of the Underwriter, upon the execution of the acceptance hereof on behalf of the Commission by an authorized representative and shall be valid and enforceable at the time of such acceptance.

16. **Counterparts.** This Purchase Contract may be executed in several counterparts, which together shall constitute one and the same instrument.

17. **Governing Law.** The validity, interpretation and performance of this Purchase Contract shall be governed by and construed in accordance with the laws of the State of New Jersey.

18. **Entire Agreement.** This Purchase Contract, when accepted by the Commission in writing as heretofore specified, shall constitute the entire agreement between the parties hereto and is made solely for the benefit of the Commission and the Underwriter (including the successors or assigns of the Underwriter).

19. **Headings.** The headings of the sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

20. **Severability.** If any provision of this Purchase Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable, such a determination shall apply only to the subject provision and the remainder of this Purchase Contract shall remain in full force and effect.

21. **Facsimile Signatures.** This Purchase Contract may be executed by manual or facsimile signatures, and either method shall constitute a valid and binding contract on the part of the parties hereto.

22. **No Personal Recourse Against Commission Officials.** No personal recourse shall be had for any claim based on this Purchase Contract or the Bonds against any member of the Commission or officer or employee (past, present or future) of the Commission or any successor body, either directly or through the Commission or any successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

23. **Successors.** This Purchase Contract will inure to the benefit of and be binding upon the parties and their successors or assigns and will not confer any rights upon any other person. No purchaser of the Bonds from the Underwriter, except members of any selling group that may be formed in connection with the distribution of the Bonds and all dealers to whom any of the Bonds may be sold by the Underwriter or by members of any selling group, shall be deemed to be a successor by reason merely of such purchase.

**[SIGNATURE PAGE FOLLOWS]**

24. **Amendments.** This Purchase Contract shall not be amended, nor shall any provision hereof be waived by any party hereto, without the prior written consent of the Commission and the Underwriter.

**Very truly yours,**

**RAYMOND JAMES & ASSOCIATES, INC.,  
as Underwriter**

**By:** \_\_\_\_\_  
**Amanda M. Del Bene  
Managing Director – Public Finance**

**Accepted this \_\_\_\_ day of February, 2025:**

**PASSAIC VALLEY WATER COMMISSION**

**By:** \_\_\_\_\_  
**James Mueller  
Executive Director**

[Signature Page to Bond Purchase Contract]

**EXHIBIT A**

**DESCRIPTION OF THE BONDS**

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>GR/HTP<sup>†</sup></u>
December 15, 2025				
December 15, 2026				
December 15, 2027				
December 15, 2028				
December 15, 2029				
December 15, 2030				
December 15, 2031				
December 15, 2032				
December 15, 2033				

† GR indicates maturities that meet the 10% test; HTP indicates maturities that are subject to the hold-the-offering-price rule.

The Bonds are not subject to redemption prior to their stated maturities.

**EXHIBIT B**

**FORM OF OPINION OF UNDERWRITER'S COUNSEL**

February \_\_, 2025

Raymond James & Associates, Inc.  
320 Park Avenue – 12th Floor  
New York, New York 10023

Ladies and Gentlemen:

We have acted as counsel to Raymond James & Associates, Inc. (the "*Underwriter*") in connection with its purchase of \$ \_\_, \_\_, 000 Water Supply System Revenue Refunding Bonds, Series 2025 (the "*Bonds*"), dated their date of delivery, of the Passaic Valley Water Commission (the "*Commission*"), pursuant to a Bond Purchase Contract, dated February \_\_, 2025, by and between the Underwriter and the Commission.

In connection therewith, we have reviewed the final Official Statement, dated February \_\_, 2025 (the "*Official Statement*"), prepared by the Commission in connection with the sale, issuance and delivery of the Bonds. In addition, we have examined and relied upon originals or copies, certified or otherwise identified to us as genuine, of such other documents and instruments, and we have made such investigations of law as we have considered necessary or appropriate for the purposes of this opinion. In making the statements contained herein, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing said documents.

Based upon the foregoing, we are of the opinion that the Bonds constitute exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended (the "*1933 Act*"), and Section 304(a)(4) of the Trust Indenture Act of 1939, as amended (the "*1939 Act*"), and it is not necessary, in connection with the public offering and sale of the Bonds, to register the Bonds under the 1933 Act or to qualify any indenture, bond ordinance or bond resolution under the 1939 Act.

Because the primary purpose of our engagement was not to establish factual matters and because of the wholly or partially non-legal character of many determinations involved in the preparation of the Official Statement, we are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement and make no representation that we have verified such statements.

Based upon the foregoing, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to our attention that would lead us to believe that the Official Statement, as of its date and as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect. Notwithstanding the foregoing, we express no opinion or belief with respect to (a) the financial statements and any other financial or statistical data contained in the Official Statement, (b) any matters discussed in the Official Statement under the heading "BOOK-ENTRY-ONLY SYSTEM", which is based solely upon information supplied to the Commission

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by The Depository Trust Company, (c) [any matters discussed in the Official Statement under the heading "BOND INSURANCE", which is based solely upon information supplied to the Commission by Assured Guaranty Municipal Corp.,] (d) any matters discussed in the Official Statement under the headings "ESTIMATED SOURCES AND USES OF FUNDS", "AGGREGATE DEBT SERVICE SCHEDULE", "RATINGS", "LITIGATION", "TAX MATTERS", "CONTINUING DISCLOSURE", "VERIFICATION OF MATHEMATICAL COMPUTATIONS", "UNDERWRITING" and "AUDITOR", and (e) Appendices A, B, C and F to the Official Statement.

We are also of the view that the Continuing Disclosure Agreement of the Commission, dated the date hereof, satisfies the requirements contained in Rule 15c2-12(b)(5) for an undertaking for the benefit of the beneficial owners of the Bonds to provide the information at the times and in the manner required by said Rule.

We have not opined upon, and the foregoing is subject to, the validity of the Bonds and the exclusion from gross income of the interest thereon for federal and New Jersey income tax purposes, as to all of which the Underwriter is relying upon the opinion of even date herewith of Dilworth Paxson LLP, Bond Counsel to the Commission.

The opinions expressed herein are limited to and based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States of America as of the date hereof, and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions or to any laws or judicial decisions hereafter enacted or rendered.

Our engagement by the Underwriter with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of any laws or judicial decisions hereafter enacted or rendered that impact on this opinion letter.

This opinion letter is being furnished solely to the party to whom it is addressed, and it may not be relied upon by any other person or quoted in whole or in part or otherwise referred to without our express prior written consent, except that it may be included in any closing transcript prepared in connection with the issuance of the Bonds.

Very truly yours,

B-2

EXHIBIT C

FORM OF ISSUE PRICE CERTIFICATE

PASSAIC VALLEY WATER COMMISSION

\$ \_\_, \_\_, 000 WATER SUPPLY SYSTEM REVENUE REFUNDING BONDS, SERIES 2025

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Raymond James & Associates, Inc. (the "*Underwriter*"), **HEREBY CERTIFIES** as set forth below with respect to the sale and issuance of the above-captioned obligations (the "*Bonds*").

1. *Sale of General Rule Maturities.* As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in **Schedule A**.

2. *Initial Offering Price of Hold-the-Offering-Price Maturities.*

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in **Schedule A** (the "*Initial Offering Prices*") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as **Schedule B**.

(b) As set forth in the Purchase Contract, the Underwriter has agreed in writing that (i) for each Maturity of the Hold-the-Offering-Price Maturities, (i) it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "*hold-the-offering-price rule*"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. *Defined Terms.*

(a) "*General Rule Maturities*" means those Maturities of the Bonds listed in **Schedule A** hereto as the "*General Rule Maturities*".

(b) "*Hold-the-Offering-Price Maturities*" means those Maturities of the Bonds listed in **Schedule A** hereto as the "*Hold-the-Offering-Price Maturities*".

(c) "*Holding Period*" means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.



(d) "Issuer" means the Passaic Valley Water Commission.

(e) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) "Public" means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(g) "Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is February \_\_, 2025.

(h) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this subparagraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

4. The Underwriter has been advised by Dilworth Paxson LLP, as Bond Counsel ("*Bond Counsel*"), that, as used in this certificate, the term "yield" refers to that discount rate calculated on the basis of a 360-day year consisting of twelve months of thirty days each and assuming semiannual compounding that, when used in computing the present value as of the date hereof of all expected payments of the principal of and interest on the Bonds, produces an amount equal to the aggregate issue price of the Bonds, less the cost of bond insurance. The yield on the Bonds is equal to \_\_.\_\_\_\_%.

[5. The Issuer has obtained a bond insurance policy from Assured Guaranty Municipal Corp. ("*AGM*") in respect of the Bonds. Based on our experience with bonds similar to the Bonds, (i) the bond insurance was an important factor in the placement of the Bonds and (ii) the absence of the insurance would have materially affected in an adverse manner the interest rates at which the Bonds could have been marketed. The insurance policy will be issued for a premium of \$\_\_\_\_.\_\_\_\_. No portion of the premium represents the indirect payment of costs of issuance, including rating agency fees or the provision of additional services by AGM. The present value of the insurance is less than the present value of the interest reasonably expected to be saved as a result of using the insurance to secure the Bonds, using as a discount rate the yield on the Bonds, calculated with treating the premium as interest.]

6. The weighted average maturity of the Bonds is \_\_.\_\_\_\_ years.

The Issuer may rely on the statements made herein in connection with its efforts to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended (the "*Code*"). Bond Counsel may also rely on this Certificate for purposes of its opinion regarding the treatment of interest on the Bonds as excludable from gross income for federal income tax purposes. However, notwithstanding the foregoing, we remind you that the Underwriter is not an accountant or actuary, nor is the Underwriter engaged in the practice of law. Accordingly, while the Underwriter believes the calculations described above to be correct, it does not warrant their validity for purposes of Sections 103 and 141 through 150 of the Code or make any representation as to the legal sufficiency of the factual matters set forth herein. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third-party or for any other purpose.

RAYMOND JAMES & ASSOCIATES, INC.

By: \_\_\_\_\_  
James A. Wright  
Managing Director  
Municipal Underwriting

Dated: February \_\_, 2025

**SCHEDULE A**

**SALE PRICES OF THE GENERAL RULE MATURITIES AND  
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

C-4

**SCHEDULE B**

**PRICING WIRE OR EQUIVALENT COMMUNICATION**

C-5

**EXHIBIT C**

**FORM OF PRELIMINARY OFFICIAL STATEMENT**

**NEW ISSUE – BOOK-ENTRY-ONLY**RATINGS: [S&P: "\_\_\_" (\_\_\_ Insured)]  
Moody's: "Aa3" (Underlying)

*In the opinion of Bond Counsel, assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to the Bonds and subject to certain provisions of the Code described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Bonds, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. In the further opinion of Bond Counsel, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed by the Code, however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Under the laws of the State of New Jersey, as enacted and construed on the date of original delivery of the Bonds, interest on the Bonds and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.*

**PASSAIC VALLEY WATER COMMISSION****[\$10,855,000]\* WATER SUPPLY SYSTEM REVENUE REFUNDING BONDS, SERIES 2025****Dated: Date of Delivery****Due: December 15, as shown on inside front cover**

The \$[10,855,000]\* aggregate principal amount of Water Supply System Revenue Refunding Bonds, Series 2025 (the "Bonds") will be issued by the Passaic Valley Water Commission (the "Commission") pursuant to the provisions of P.L. 1923, c. 195, as amended and supplemented (N.J.S.A. 40:62-108 to -150.2) (the "Act"); a resolution of the Commission duly adopted on May 27, 1992 (the "General Bond Resolution"), as amended and supplemented, including by a supplemental resolution of the Commission duly adopted on [DATE], 2025 (the "Supplemental Resolution"); and an Award Certificate to be executed by an authorized officer of the Commission on the sale date of the Bonds (the "Award Certificate"); and together with the General Bond Resolution and the Supplemental Resolution, the "Resolution". See "AUTHORIZATION FOR THE BONDS" herein.

The Bonds are special obligations of the Commission, payable from and secured by a pledge of certain Revenues (as defined in the Resolution) of the Commission and all moneys and securities held or to be held in certain funds and accounts pursuant to the Resolution, subject to the Commission's right to pay Operating Expenses (as defined in the Resolution) and to rebate certain arbitrage earnings to the United States government. See Appendix C for a summary of the conditions to issuance of additional bonds and "SECURITY FOR THE BONDS – Additional Bonds" herein. Revenues are derived principally from payments to the Commission of retail and wholesale rates for water supplied to residential, commercial and industrial accounts, to municipalities and to private water companies.

The Bonds are being issued to provide funds that will be used[, together with funds on hand,] to: (i) currently refund the Commission's outstanding Water Supply System Revenue Bonds, Series 2014, dated June 16, 2014 and maturing on December 15 in each of the years 2025 through 2033, inclusive, in the aggregate principal amount of \$11,705,000, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption (the "Refunded Bonds"); and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds[, including payment of the bond insurance premium] (collectively, the "Project").

The Bonds shall be dated their date of delivery and shall bear interest at the rates of interest set forth on the inside front cover page hereof, payable semiannually on June 15 and December 15, commencing on June 15, 2025. The Bonds will be issued as fully registered bonds, without certificates, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), an automated depository for securities and clearinghouse for securities transactions. Purchases of beneficial interests in the Bonds will be made in book-entry-only form in denominations of \$5,000 each or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC participants, which in turn will remit such payments to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Manufacturers and Traders Trust Company, Iselin, New Jersey, will serve as the Trustee, Paying Agent and Registrar for the Bonds. Principal of and interest on the Bonds will be paid to DTC by the Paying Agent.

The Bonds are not subject to redemption prior to their stated maturities. See "REDEMPTION" herein.

**THE COMMISSION HAS NO POWER TO LEVY OR COLLECT TAXES. THE BONDS ARE NOT IN ANY WAY A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR OF ANY LOCAL UNIT OR OF ANY COUNTY OR MUNICIPALITY, AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OF NEW JERSEY OR OF ANY LOCAL UNIT, COUNTY OR MUNICIPALITY, EITHER LEGAL, MORAL OR OTHERWISE, AND NOTHING CONTAINED IN THE ACT SHALL BE CONSTRUED TO AUTHORIZE THE COMMISSION TO INCUR ANY INDEBTEDNESS ON BEHALF OF OR IN ANY WAY OBLIGATE THE STATE OF NEW JERSEY OR ANY COUNTY OR MUNICIPALITY.**

[The scheduled payment of principal of and interest on the Bonds, when due, will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by [Name of Bond Insurer].]

[INSURER LOGO]

**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 Bonds are offered when, as and if issued and delivered to the Underwriter (as defined herein) and subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by Dilworth Paxson LLP, Freehold, New Jersey, Bond Counsel, and certain other conditions described herein. Certain legal matters will be passed upon for the Commission by its General Counsel, Yaacov Brisman, Esq., and for the Underwriter by its Counsel, McManimon, Scotland & Baumann, LLC, Roseland, New Jersey. The Bonds are expected to be available for delivery through the facilities of DTC on or about February \_\_, 2025.

[RAYJAY LOGO]

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\*Preliminary; subject to change.

**PASSAIC VALLEY WATER COMMISSION**

**\$(10,855,000)\* WATER SUPPLY SYSTEM REVENUE REFUNDING BONDS, SERIES 2025**

**MATURITIES, PRINCIPAL AMOUNTS\*, INTEREST RATES, YIELDS, PRICES AND CUSIP NUMBERS†**

<u>Maturity Date (December 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP Number</u>
2025	\$1,065,000	%	%	%	702845
2026	1,025,000				702845
2027	1,075,000				702845
2028	1,130,000				702845
2029	1,190,000				702845
2030	1,245,000				702845
2031	1,310,000				702845
2032	1,370,000				702845
2033	1,445,000				702845

\* Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers herein are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP numbers have been assigned by an independent company not affiliated with the Commission or the Underwriter and are included solely for the convenience of the holders of the Bonds. Neither the Commission nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after execution and delivery of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.



**(RED HERRING – FOR LEFT MARGIN)**

This is a Preliminary Official Statement and the information contained herein is subject to completion and amendment in a final Official Statement. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the securities offered hereby, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

**PASSAIC VALLEY WATER COMMISSION  
CLIFTON, NEW JERSEY  
(973) 340-4300**

**COMMISSION MEMBERS**

Jeffrey Levine, Paterson	President
Rigo Sanchez, Passaic	Vice President
Joseph Kolodziej, Clifton	Treasurer
Ruby N. Cotton, Paterson	Secretary
Carmen DePadua, Paterson	Commissioner
Gerald Friend, Clifton	Commissioner
Ronald Van Rensalier, Passaic	Commissioner

**COMMISSION STAFF**

James Mueller	Executive Director
Patrick Porcaro, P.E.	Director of Engineering
Yitzchak Weiss, CPA	Chief Financial Officer
Louis Amodio	Administrative Secretary

**GENERAL COUNSEL**

Yaacov Brisman, Esq.  
Clifton, New Jersey

**CONSULTANTS AND ADVISORS**

**Bond Counsel**

Dilworth Paxson LLP  
Freehold, New Jersey

**Municipal Advisor**

NW Financial Group, LLC  
Bloomfield, New Jersey

**Auditor**

Wielkocz & Company, LLC  
Pompton Lakes, New Jersey

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, sales representative or any other person has been authorized by the Commission or the Underwriter to give any information or make any representation, other than those contained herein, in connection with the offering of or solicitation for the Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the foregoing.

The information, estimates and expressions of opinion set forth herein have been provided by the Commission and by other sources believed to be reliable by the Commission, but are not guaranteed as to accuracy or completeness and are not to be construed as a representation by the Commission. Where the Constitution, statutes or regulations of the State of New Jersey are referred to, reference should be made to such laws for a complete statement of the matters referred to. In addition, where ordinances, resolutions, agreements, reports and documents are referred to, reference should be made to such ordinances, resolutions, agreements, reports and documents, as the case may be, for a complete statement of the matters referred to. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

This Official Statement is not to be construed as a contract or agreement among the Commission, the Underwriter or the owners of any of the Bonds. 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 Commission since the date hereof.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the Commission from time to time (collectively, the "*Official Statement*"), may be treated as a "Final Official Statement" with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the Commission.

IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMMISSION AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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**OFFICIAL STATEMENT**  
**RELATING TO THE**  
**PASSAIC VALLEY WATER COMMISSION**  
**[\$[10,855,000]\* WATER SUPPLY SYSTEM REVENUE REFUNDING BONDS, SERIES 2025**

**INTRODUCTION**

The purpose of this Official Statement (which includes the cover page, the inside front cover page and the appendices hereto) is to set forth certain information in connection with the issuance by the Passaic Valley Water Commission (the "*Commission*") of its \$[10,855,000]\* Water Supply System Revenue Refunding Bonds, Series 2025 (the "*Bonds*"). The Commission was created in 1927 as a public body corporate and politic by appointment of a Justice of the New Jersey Supreme Court on the application of the City of Paterson ("*Paterson*"), the City of Passaic ("*Passaic*") and the City of Clifton ("*Clifton*") (collectively, the "*Owner Cities*") in accordance with the provisions of P.L. 1923, c. 195, as amended and supplemented (N.J.S.A. 40:62-108 to -150.2) (the "*Act*").

On June 30, 1992, the Commission issued the first bonds under its resolution duly adopted on May 27, 1992 and entitled, "RESOLUTION AUTHORIZING THE ISSUANCE OF WATER SUPPLY SYSTEM REVENUE BONDS OF THE PASSAIC VALLEY WATER COMMISSION", as amended and supplemented (the "*General Bond Resolution*"). The following series of bonds have been issued, and remain outstanding, under the General Bond Resolution: (i) the Commission's \$1,255,000 Water Supply System Revenue Bonds, Series 2007A, and \$2,360,780 Water Supply System Revenue Bonds, Series 2007B (collectively, the "*Series 2007 NJEIT Bonds*"), which remain outstanding in the principal amount of \$315,000; (ii) the Commission's \$12,185,000 Water Supply System Revenue Bonds, Series 2009B (Build America Bonds – Direct Payment) (the "*Series 2009B Bonds*"), which remain outstanding in the principal amount of \$12,185,000; (iii) the Commission's \$2,675,000 Water Supply System Revenue Bonds, Series 2010A, and \$2,715,000 Water Supply System Revenue Bonds, Series 2010B (collectively, the "*Series 2010 NJEIT Bonds*"), which remain outstanding in the principal amount of \$1,155,333; (iv) the Commission's \$20,470,000 Water Supply System Revenue Bonds, Series 2014 (the "*Series 2014 Bonds*"), which remain outstanding in the principal amount of \$12,750,000; (v) the Commission's \$10,195,000 Water Supply System Revenue Refunding Bonds, Series 2015 (the "*Series 2015 Bonds*"), which remain outstanding in the principal amount of \$2,895,000; (vi) the Commission's \$1,919,884 Water Supply System Revenue Bonds, Series 2017A, and \$29,760,707 Water Supply System Revenue Bonds, Series 2017B (collectively, the "*Series 2017 NJIB Bonds*"), which remain outstanding in the principal amount of \$19,752,657; and (vii) the Commission's \$1,925,000 Water Supply System Revenue Refunding Bonds, Series 2017A, and \$16,000,000 Water Supply System Revenue Refunding Bonds, Series 2017B (Federally Taxable) (collectively, the "*Series 2017 Bonds*"), which remain outstanding in the respective principal amounts of \$1,005,000 and \$10,730,000. The Series 2007 NJEIT Bonds, the Series 2010 NJEIT Bonds and the Series 2017 NJIB Bonds (collectively, the "*NJIB Bonds*") were issued under the New Jersey Infrastructure Bank (the "*NJIB*"), formerly known as the New Jersey Environmental Infrastructure Trust, program to finance major capital improvements. The Series 2009B Bonds and the Series 2014 Bonds financed improvements to the Commission's water system and funded reserves. The Series 2015 Bonds and the Series 2017 Bonds refinanced all or parts of various Commission bond and note issues that financed improvements to the Commission's water system, financed certain costs and payments due to the Borough of Lodi under a long-term agreement and funded reserves. The Series 2009B Bonds, the Series 2014 Bonds, the Series 2015 Bonds, the Series 2017 Bonds and the NJIB Bonds are herein collectively referred to as the "*Prior Bonds*". **JAF TO UPDATE**

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\* Preliminary, subject to change.

In addition, on June 7, 2022, the Commission entered into a construction loan with the NJIB in the maximum amount of \$37,605,981 in order to temporarily finance the Commission's lead service line replacement project. Such construction loan is evidenced by the Commission's subordinate project note (the "2022 Project Note"). This project is currently expected to be completed in 2025, upon which the Commission expects to refinance the 2022 Project Note through the issuance of one or more series of Additional Bonds to the NJIB and/or the State of New Jersey (the "State"). The NJIB has advised the Commission that it will be eligible for principal forgiveness of up to 77.2% of the eligible costs funded by the 2022 Project Note. **UPDATE?**

The Commission currently expects to enter into an additional construction loan with the NJIB in the approximate maximum amount of \$30 million in order to temporarily finance certain improvements to the Levine Reservoir. Such construction loan is expected to close during the first quarter of 2024, and will be evidenced by the Commission's subordinate project note (the "2023 Project Note"). This project is currently expected to be completed in 2026 or 2027, upon which the Commission expects to refinance the 2023 Project Note through the issuance of one or more series of Additional Bonds to the NJIB and/or the State. **UPDATE**

### AUTHORIZATION FOR THE BONDS

The Bonds are authorized to be issued pursuant to the provisions of the Act; the General Bond Resolution, as previously amended and supplemented, including by a supplemental resolution of the Commission duly adopted on [DATE], 2025 and entitled, "Series 2025 Supplemental Resolution No. 1 Supplementing the Passaic Valley Water Commission's General Bond Resolution Duly Adopted May 27, 1992, as Amended and Supplemented, and Providing for the Issuance and Sale of Not to Exceed \$ \_\_\_\_\_,000 Principal Amount of Water Supply System Revenue Refunding Bonds, Series 2025 in One or More Series of the Commission and Determining Various Matters Pertaining Thereto" (the "Supplemental Resolution"); and an Award Certificate to be executed by an authorized officer of the Commission on the sale date of the Bonds (the "Award Certificate"; and together with the General Bond Resolution and the Supplemental Resolution, the "Resolution"). Capitalized terms used but not defined herein shall have the meanings given to them in the Resolution. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" herein. The Local Finance Board of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey (the "Local Finance Board") adopted a resolution on July 12, 2023 issuing positive findings with respect to the issuance of the Bonds.

The Bonds, the Prior Bonds and any Additional Bonds hereafter issued under the General Bond Resolution are special obligations of the Commission, payable from and secured by a pledge of certain Revenues of the Commission, subject to the Commission's right to pay Operating Expenses and the obligation to rebate certain amounts to the United States government and by the other property pledged under the Resolution. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" herein for a summary of the conditions to issuance of Additional Bonds and "SECURITY FOR THE BONDS – Additional Bonds" herein. Revenues are derived principally from payments to the Commission of retail and wholesale rates for water supplied to residential, commercial and industrial accounts, to municipalities and to private water companies.

The Commission has no power to levy or collect taxes. The Bonds are not in any way a debt or liability of the State of New Jersey or of any local unit or of any county or municipality, and shall not create or constitute any indebtedness, liability or obligation of the State of New Jersey or of any local unit, county or municipality, either legal, moral or otherwise, and nothing contained in the Act shall be construed to authorize the Commission to incur any indebtedness on behalf of or in any way obligate the State of New Jersey or any county or municipality.

Manufacturers and Traders Trust Company, Iselin, New Jersey, has been appointed to serve as Trustee, Paying Agent and Registrar for the Bonds (the "Trustee", "Paying Agent" and "Registrar").

Certain provisions of the Act, other provisions of law, the Resolution and certain agreements, reports and documents are summarized in this Official Statement. Such summaries do not purport to be comprehensive or definitive and reference is made to such documents for a full and complete statement of their respective provisions. All quotations from and summaries and explanations of the Act, the Resolution and any agreements, reports and documents contained herein do not purport to be complete and reference is made to said documents for a full and complete statement of their provisions.

**PURPOSE OF ISSUE**

The Bonds are being issued to provide funds that will be used[, together with funds on hand,] to: (i) currently refund the Commission's outstanding Series 2014 Bonds maturing on December 15 in each of the years 2025 through 2033, inclusive, in the aggregate principal amount of \$11,705,000, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption (the "Refunded Bonds"); and (ii) pay certain costs and expenses incidental to the issuance and delivery of the Bonds[, including payment of the bond insurance premium] (collectively, the "Project").

**ESTIMATED SOURCES AND USES OF FUNDS**

Set forth below are the estimated sources and uses of funds related to the Bonds:

**Sources of Funds**

Par Amount of Bonds	\$
[Net] Original Issue Premium	
Other Available Funds	
<b>Total Sources</b>	<b>\$</b>

**Uses of Funds**

Deposit to Escrow Fund	\$
Costs of Issuance <sup>(1)</sup>	
<b>Total Uses</b>	<b>\$</b>

(1) Includes underwriting discount, [bond insurance premium,] rounding amount and all legal, fiduciary, rating agency, printing and miscellaneous expenses associated with the issuance of the Bonds.

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**AGGREGATE DEBT SERVICE SCHEDULE TO BE UPDATED**

Year (Ending 12/31)	Existing Total Debt Service*	Principal of Bonds	Interest on Bonds	Total Debt Service
2025	\$ 7,129,765.40	\$	\$	\$
2026	7,058,492.56			
2027	6,650,796.80			
2028	5,967,331.50			
2029	5,835,779.76			
2030	3,860,388.50			
2031	3,843,522.00			
2032	3,820,482.00			
2033	3,801,062.00			
2034	2,200,666.00			
2035	2,177,239.00			
2036	2,150,296.00			
2037	2,124,834.00			
2038	2,105,460.00			
2039	2,066,394.00			
2040	858,812.00			
2041	858,811.00			
2042	858,811.00			
2043	858,811.00			
2044	858,811.00			
2045	858,811.00			
2046	858,812.00			
2047	--			
2048	--			
2049	--			
2050	--			
2051	--			
2052	--			
2053	--			
<b>Total</b>	<b>\$80,909,842.34</b>			

\* Excludes [the 2022 Project Note and] the Refunded Bonds.

**DESCRIPTION OF THE BONDS**

The Bonds will be issued in the aggregate principal amount and will mature on the dates and in the amounts shown on the inside front cover page hereof. The Bonds will be issued in fully registered form without coupons in denominations of \$5,000 each or any integral multiple thereof, will be dated their date of delivery and will bear interest from such date, payable semiannually on June 15 and December 15 of each year, commencing June 15, 2025, at the rates set forth on the inside front cover page hereof. Interest on the Bonds shall be payable on each interest payment date for the Bonds to the Registered Owners of record thereof appearing on the registration books kept by the Trustee, as of the close of business on May 15 and November 15 (whether or not a business day) immediately preceding the interest payment date.

**OPTIONAL REDEMPTION**

The Bonds are not subject to optional redemption prior to maturity.



## BOOK-ENTRY-ONLY SYSTEM

*The information in this section has been obtained from materials provided by DTC for such purpose. The Commission and the Underwriter do not guaranty the accuracy or completeness of such information, and such information is not to be construed as a representation of the Commission or the Underwriter.*

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal of and interest and other payments due on the Bonds to Direct and Indirect Participants or Beneficial Owners defined below, confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and among DTC, Direct and Indirect Participants and Beneficial Owners is based on certain information furnished by DTC to the Commission. Accordingly, the Commission does not make any representations concerning these matters.

DTC will act as securities depository for the Bonds. The 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 certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, 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 Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each 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 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 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 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 Commission or the Paying Agent as soon as possible after the applicable record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the applicable record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, if applicable, and distributions on the 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 Commission or the Paying Agent on payable dates in accordance with their respective holdings shown on DTC's records.

Payments by Direct and Indirect 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 Direct and Indirect Participant and not of DTC, the Paying Agent or the Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, if applicable, and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission or the 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 securities depository with respect to the Bonds at any time by giving reasonable notice to the Commission or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Commission believes to be reliable, but the Commission does not take any responsibility for the accuracy thereof.

**THE PAYING AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DIRECT AND INDIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.**

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE FOR DTC, REFERENCES HEREIN TO THE HOLDERS OR REGISTERED OWNERS OF THE BONDS (OTHER THAN UNDER THE CAPTIONS "TAX MATTERS" AND "SECONDARY MARKET DISCLOSURE") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

#### **Discontinuation of Book-Entry-Only System**

If the Commission, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Bonds at any time, the Commission will attempt to locate another qualified securities depository. If the Commission fails to find such a securities depository, or if the Commission determines, in its sole discretion, that it is in the best interest of the Commission or that the interest of the Beneficial Owners might be adversely affected if the book-entry-only system of transfer is continued (the Commission undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination), the Commission shall notify DTC of the termination of the book-entry-only system.

### **SECURITY FOR THE BONDS**

#### **General**

The Bonds, the Prior Bonds and any Additional Bonds hereafter issued under the General Bond Resolution are special obligations of the Commission, payable solely from and secured by a pledge of certain revenues of the Water Supply System (the "Revenues") of the Commission as defined in the Resolution and all moneys and securities held or to be held in certain funds and accounts pursuant to the Resolution, subject to the Commission's right to pay Operating Expenses and to rebate certain arbitrage earnings to the United States government. The Revenues are derived principally from water rates charged to retail and wholesale customers.

As defined in the Resolution, the term "Revenues" means (a) all rents, rates, fees and other charges and other income derived or to be derived by the Commission from or for the ownership, operation, use or services of the Water Supply System; (b) any income derived from the investment of funds held pursuant to the Resolution that are required to be deposited in the Revenue Fund; and (c) the proceeds of any insurance covering a loss due to an interruption in the operation of the Water Supply System, including, without any limitation, use and occupancy insurance and business interruption insurance. The term "Revenues" does not include funds that are withdrawn from the General Fund and paid to the Commission by the Trustee, free and clear of the lien or pledge created by the Resolution, upon satisfaction of the conditions set forth in Section 510(2) of the Resolution.

The term "Water Supply System" means the water system, including all real and personal property previously acquired or constructed or to be acquired or constructed by or on behalf of the Commission, which is used or useful for the distribution of water or other activities of the Commission permitted by law, including the Initial Project and any Additional Project.

#### **Operation and Maintenance of Water Supply System**

The Commission has covenanted in the Resolution that it shall at all times: operate the Water Supply System in as sound and economical a manner as reasonably practical; properly maintain and preserve the same; and keep it in good repair, working order and condition.

## Bond Reserve Fund

Under the Resolution, the Bond Reserve Requirement for the Bonds, the Prior Bonds and any Additional Bonds hereafter issued under the General Bond Resolution is, as of the date of calculation, the lesser of 10% of the aggregate principal amount of the bonds upon original issuance or the amount equal to the Maximum Annual Debt Service; *provided, however*, to the extent that any Series of the bonds are issued as tax-exempt obligations, the Bond Reserve Requirement shall be limited to the amount of the proceeds from the sale of such Series of bonds issued as tax-exempt obligations that may be so applied pursuant to the provisions of the Code in effect on the date of the authentication and delivery of such Series of bonds. All or any part of the Bond Reserve Requirement may be satisfied by depositing funds in the Bond Reserve Fund or by obtaining a Bond Reserve Credit Facility. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" herein.

As of the date of issuance of the Bonds, the Bond Reserve Requirement will be approximately \$\_\_\_\_\_. As of January \_\_, 2025, the Bond Reserve Fund contained cash and investments in the approximate amount of \$7,854,624 and a debt service reserve insurance policy with a maximum available amount of \$163,751 originally issued by Financial Security Assurance Inc., now known as Assured Guaranty Municipal Corp. **[UPDATE]**

## Additional Bonds

The Commission may issue additional bonds, notes or other obligations to finance any cost of the Water Supply System and that may be entitled to the pledge of the Revenues provided by the Resolution on parity with the Outstanding Bonds, in accordance with the terms and conditions of the Resolution ("*Additional Bonds*"). The Resolution provides for the issuance of Additional Bonds for the purpose of: (1) paying the costs of Additional Projects; (2) refunding any Bonds of the Commission; and (3) completing any work for which Bonds were previously issued.

### 1. Ordinary Issuance

Prior to the issuance of Additional Bonds issued for paying the Costs of an Additional Project, the Commission must satisfy, among other things, the following requirements:

(a) An Accountant must certify that, based upon an analysis, the rates and charges that are in effect or such higher rates and charges as the Commission has adopted by resolution to impose in the current or next succeeding Fiscal Year were sufficient to provide for 110% of the aggregate of the Bond Service Requirement and the Sinking Fund Requirement during the 12-month period, which shall be either the Fiscal Year most recently ended prior to the issuance of such Additional Bonds or any other 12 month period ending on a date not more than 120 days prior to the date of issuance of such Additional Bonds;

(b) A Consulting Engineer must set forth its estimate of Operating Expenses and Net Revenues for each of the three Fiscal Years immediately succeeding the projected date for the completion of the improvement financed by such Additional Bonds calculated under the assumption that Revenues shall be charged and collected at the rates in effect or such higher rates that the Commission has adopted by resolution to impose for such Fiscal Years. In addition, the Consulting Engineer must set forth the Bond Service Requirement and the Sinking Fund Requirement for such Fiscal Years and its forecast that the amount of Net Revenues will not be less than 110% of the aggregate of the Bond Service Requirement and the Sinking Fund Requirement for each such Fiscal Year; and

(c) A Consulting Engineer must certify that the proposed improvement is part of the Water Supply System, that the proceeds from the sale of such Additional Bonds will be sufficient to pay the cost of such improvement and its estimate of the period of time required to complete such improvement.

Additional Bonds issued for the purpose of refunding any Outstanding bonds of the Commission may be issued if, among other things, the Commission meets the requirements set forth in (a) and (b) above or if a certificate is executed by an Accountant stating that the Maximum Annual Debt Service on such Additional Bonds shall be less than the Maximum Annual Debt Service on the bonds to be refunded.

Additional Bonds issued for the purpose of completing any work for which bonds were previously issued may be issued if, among other things, a Consulting Engineer certifies: (i) that the improvement for which the Additional Bonds are to be issued is one for which bonds have already been issued; (ii) that the proceeds from the sale of such Additional Bonds, together with any funds of the Commission then available or expected to be available, will be sufficient to complete the project; and (iii) the estimated period of time required to complete the project.

## 2. Extraordinary Issuance

Additional Bonds may also be issued to pay the Costs of an Additional Project that consists of the acquisition of an existing water supply system or the addition of new customers without regard to the requirements set forth in 1(a) and 1(b) above, if the Commission satisfies the following requirements:

(a) A Consulting Engineer must set forth in a certificate an estimate of the Net Revenues to be derived directly or indirectly from the Additional Project for each of the five consecutive calendar years following the estimated completion date of the Additional Project;

(b) An Accountant must set forth the Bond Service Requirement and the Sinking Fund Requirement with respect to the proposed issue of Additional Bonds for each calendar year such bonds are to be Outstanding;

(c) A Commission Officer must certify that, in every year for five years commencing after completion of the Additional Project, (i) the Net Revenues set forth in the Consulting Engineer's certificate described in 2(a) above shall equal or shall exceed the Bond Service Requirement and the Sinking Fund Requirement for each such year set forth in the Accountant's certificate described in 2(b) above, and (ii) the Net Revenues for each of such five years will equal or exceed 110% of the Bond Service Requirement and the Sinking Fund Requirement for the Additional Project for each of such years; and

(d) The Consulting Engineer must certify that such Additional Project will not have a deleterious effect on Net Revenues and that there is sufficient water to supply all existing customers and all new customers as a result of such Additional Project.

In no event shall Additional Bonds be issued if an Event of Default has occurred and is continuing under the Resolution. See Additional Bonds within "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" herein.

## **Rate Covenant**

Under the Resolution, the Commission has covenanted to make, impose, charge and collect Revenues in accordance with the terms of the Act and other applicable laws of the State, which will be sufficient to:

- (a) Pay Operating Expenses of the Commission in each Fiscal Year and to provide in each Fiscal Year the amounts, if any, needed so that the amount on deposit in the Operating Fund Reserve Account equals the Operating Fund Reserve Account Requirement;
- (b) Provide in each Fiscal Year an amount equal to 110% of the aggregate of the Bond Service Requirement (except any part thereof the payment of which has been provided for by the deposit of proceeds derived from the sale of bonds in the Bond Service Fund) and the Sinking Fund Requirement for such Fiscal Year;
- (c) Provide in each Fiscal Year the amount, if any, needed so that: (i) the amount on deposit in the Bond Reserve Fund will equal the Bond Reserve Requirement; and (ii) the amount on deposit in the Renewal and Extension Fund during such Fiscal Year, together with other funds on deposit therein during such Fiscal Year, will equal the System Reserve Requirement;
- (d) Provide in each Fiscal Year for the payment of all other charges or liens related to the Water Supply System payable by the Commission out of such Revenues during such Fiscal Year, including, but not limited to, amounts to be deposited in the Subordinated Indebtedness Fund; and
- (e) Provide in each Fiscal Year for the payment of any additional amounts necessary to comply with the provisions of the Resolution and all other statutory and legal obligations of the Commission.

However, the Commission shall not be required to charge fees if, in the opinion of the Consulting Engineer or the Commission's Chief Engineer, such fees would result in a decrease in Revenues of the Commission. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION" herein.

#### **ADDITIONAL CAPITAL IMPROVEMENTS UPDATE**

The Commission has adopted a 6-year capital plan for 2023-2028, which includes total additional expenditures of approximately \$654 million; the bulk of these expenditures consist of reservoir construction, distribution network improvements and information technology infrastructure enhancements totaling approximately \$422 million. The six-year capital budget anticipates annual rate increases in an amount sufficient to cover the Commission's projected expenditures, required debt service coverage and pay-go capital improvements of \$93 million. The 2023 Additional Projects are a component of this six-year capital plan.

The Commission anticipates adopting a new ten-year budget plan during the 4th quarter of 2023 when it adopts its 2024 budget and approving prospective rate increases, which will take effect without further action by the Commission on January 1 of each year and comply with the Additional Bonds test in the Resolution. See "SECURITY FOR THE BONDS – Rate Covenant" for a description of the Rate Covenant.

Currently, the Commission expects to meet or exceed its rate coverage requirement under the Rate Covenant for Fiscal Year 2023. See "APPENDIX A – GENERAL INFORMATION RELATING TO THE COMMISSION" herein.

## **BONDHOLDERS' RISKS**

### **Bankruptcy**

It is to be understood that the rights of the holders of the Bonds, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The federal bankruptcy law permits a municipality or agency that is unable to meet its debts to file a petition for bankruptcy for the purpose of filing a plan to adjust its debts. The petition stays any judicial or other proceeding against the public body. The plan must be approved by creditors holding at least 2/3 of the amount of debts and more than 1/2 of the creditors of the bankrupt public body. In addition, N.J.S.A. 52:27-40 provides that any county, municipality, school district or other political subdivision (which would include the Commission) shall have the power to file a petition in bankruptcy with any United States court or court in bankruptcy under the provisions of the Bankruptcy Code for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts. Any such petition must be approved by the municipal finance commission, whose powers have been vested in the Local Finance Board.

Reference should also be made to N.J.S.A. 40A:5A-1 *et seq.*, which provides that the Director of the Division of Local Government Services in the State Department of Community Affairs shall summon an authority that the Director has reason to believe is faced with financial difficulty to a hearing before the Local Finance Board. If the Local Finance Board determines that financial difficulties exist that jeopardize the payment of operating expenses and debt service on obligations of the authority or either of the aforesaid; or place an undue financial burden on the inhabitants of the local unit or units or the users of the system or facilities of an authority; and that these difficulties are likely to recur and, if they continue, will impair the credit of the authority and the local unit or units or either of the aforesaid to the detriment of the inhabitants thereof; and no financial plan designed to prevent a recurrence of these conditions and that is deemed to be practicable and feasible by the Director has been undertaken by the authority or the local units or units, the Local Finance Board shall order the implementation of a financial plan that will assure the payment of debt service on obligations of the authority or provide relief from undue financial burden. The Local Finance Board's order shall be deemed conclusive and final and upon receipt of the order all persons shall be estopped from contesting the order or the provisions thereof and the authority or the local unit or units affected thereby shall take the action to comply with the order. See N.J.S.A. 40A:5A-18 and N.J.S.A. 40A:5A-19.

### **Competition**

The Commission does not hold exclusive rights to supply and furnish water to the residents of the Owner Cities and to the other customers formerly served by the Passaic Consolidated Water Company. The franchise of the Passaic Consolidated Water Company, if any, was not included as part of the 1930 condemnation and acquisition. Since 1930, no competitors have emerged within the boundaries of the Commission's principal retail territory formed by the Owner Cities and the Borough of Prospect Park. Certain municipalities that had been served by the Passaic Consolidated Water Company prior to 1930, specifically the Town of Kearny, the Borough of East Newark, the City of Bayonne, the Township of Bloomfield and the Township of Montclair, later made arrangements to procure another source of water supply.

The Commission is subject to competition with respect to wholesale sales. Because of the major expansion of system interconnections initiated in accordance with the policies adopted by the State Department of Environmental Protection, those municipalities, private customers and purveyors that

purchase water supplies at wholesale rates from the Commission have alternative water supply sources available to them. However, the Commission believes it can successfully compete in the area of wholesale sales. Any increased competition might have a negative impact on Revenues and, therefore, on the Commission's ability to meet debt service on its debt.

### THE COMMISSION

The Commission is the largest publicly-owned and the 4th largest water supplier in the State of New Jersey serving approximately 800,000 people in northern New Jersey, delivering an average flow of approximately 83 million gallons per day. The Commission provides water to the Owner Cities and to the Boroughs of Lodi and North Arlington on a retail basis, wholesales water to approximately 25 other communities and utilities and emergency interconnections to 44 other entities. Prior to July 1997, the Borough of Lodi was a wholesale customer of the Commission. In 1997, the Commission entered into a long-term 30-year agreement with the Borough of Lodi for the lease and acquisition of the Lodi retail water supply system. Prior to 2005, the Borough of North Arlington was a wholesale customer of the Commission. At the end of 2004, the Commission acquired the Borough of North Arlington retail water supply system.

The Commission obtains its water from the Passaic River system and the North Jersey District Water Supply Commission. Water is pumped to a distribution system with three pressure zones, three major reservoirs and two pump stations.

For more information on the Commission's management, facilities, finances and operations, see Appendices A and B herein.

### COMPOSITION AND MANAGEMENT OF THE COMMISSION

The membership of the Commission consists of seven members, three members appointed by Paterson and two each by Passaic and by Clifton.

A member of the Commission is required to reside in the appointing municipality at the time of the appointment. The Commissioners representing Paterson and Passaic are appointed by the Mayor of the respective municipality, while the Clifton Commissioners are appointed by the governing body. All Commissioners are appointed to a term of four years, with each term commencing on January 1.

The present members of the Commission and their offices, the Municipality they represent and the expiration of their terms as a member of the Commission are as follows:

<u>Name and Office</u>	<u>Municipality</u>	<u>Expiration of Term</u>
Jeffrey Levine, President	Paterson	December 31, 2025
Rigo Sanchez, Vice President	Passaic	December 31, 2024
Joseph Kolodziej, Treasurer	Clifton	December 31, 2024
Ruby N. Cotton, Secretary	Paterson	December 31, 2023
Carmen DePadua, Commissioner	Paterson	December 31, 2024
Gerald Friend, Commissioner	Clifton	December 31, 2023
Ronald Van Rensalier, Commissioner	Passaic	December 31, 2025

The President of the Commission receives an annual salary of \$8,500 as compensation for services on the Commission. The other members receive annual salaries of \$7,500. The members of the Commission elect the officers of the Commission at the Commission's 1st meeting in January of each year to serve for a term of one year.



In addition to the provisions of the Act, the governance of the affairs of the Commission is controlled by the 1931 Articles, as amended in 1947 and 1956.

The daily operation of the Commission is managed by the Executive Director, James Mueller, and engineering is managed by the Director of Engineering, Patrick Porcaro, P.E. Yitzchak Weiss, CPA serves as the Commission's Chief Financial Officer, and Yaacov Brisman, Esq. is General Counsel for the Commission (the "*General Counsel*"). Louis Amodio serves as Administrative Secretary to the Commission.

### **LEGALITY FOR INVESTMENT**

Under the Act, the Bonds are securities in which all public officers, municipalities, counties, political subdivisions and public bodies and agencies thereof, all banks, bankers, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries, may legally invest any sinking funds, moneys or other funds belonging to them or within their control, and the Bonds are authorized security for any and all public deposits.

### **PLEDGE OF THE STATE OF NEW JERSEY IN THE ACT**

The State has pledged in the Act that the State shall not limit or alter the rights vested in the Commission to fix, establish, charge and collect its water rates and to fulfill the terms of any agreement made with the holders of the Bonds or other obligations, and shall not in any way impair the rights or remedies of the holders, and shall not modify in any way the exemptions from taxation provided for in the Act, until the Bonds, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the holders are fully met and discharged.

### **RATINGS**

[S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("*S&P*"), is expected to assign an insured rating of "\_\_\_" (stable outlook) to the Bonds based upon the issuance and delivery by \_\_\_ of the Bond Insurance Policy at the time of delivery of the Bonds.] Moody's Ratings ("*Moody's*") has assigned an underlying rating of "Aa3" to the Bonds based upon the unenhanced rating of the Commission.

The ratings reflect only the views of S&P and Moody's, respectively, as of the date of this Official Statement and are not a recommendation to buy, sell or hold the Bonds. There is no assurance that the ratings will continue for any period of time or that such ratings will not be revised downward, suspended and/or withdrawn entirely if, in the judgment of the respective rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price or marketability of the Bonds. The Commission has not undertaken any responsibility to oppose any such downward revision, suspension or withdrawal of a rating.

### **LITIGATION**

There is no litigation of any nature now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or the contemplated uses of the proceeds of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Commission taken with respect thereof, or the pledge or application of any moneys or security provided for the payment of the

Bonds or the existence or powers of the Commission or the title of any officers or members of the Commission to their respective positions.

In common with other governmental bodies and authorities, the Commission has been named as defendant or third-party defendant in various civil actions seeking to recover damages from the Commission for wrongful death, personal injury or property damage sustained by plaintiffs or contribution from the Commission as joint tort-feasor pursuant to the Joint Tort-feasor Contribution Law (N.J.S.A. 2A:53-1 *et seq.*). In the opinion of the General Counsel, these civil action claims are either without substantial merit and should be dismissed at or prior to trial, or should be disposed of by judgment, if the Commission contests liability and/or damages, or by settlement, with payment (if any) expected to be sufficiently provided from the Funded Reserve-General Liability established by the Commission for that purpose.

In addition, the Commission has received various notices of claims for damages for injuries to persons or property, which are served upon the Commission in accordance with the applicable provisions of the New Jersey Tort Claims Act (P.L. 1972, c. 45, as amended and supplemented), N.J.S.A. 59:1-1 *et seq.*, as a precondition to the filing of suit. In the opinion of the General Counsel, these claims are either without substantial merit and, if suit is commenced, should be dismissed at or prior to trial, or should be disposed of by judgment, if the Commission contests liability and/or damages, or by settlement, with payment (if any) expected to be sufficiently provided from the Funded Reserve-General Liability established by the Commission for that purpose.

The Commission is party to an Administrative Consent Order with the New Jersey Department of Environmental Protection regarding the operation of three uncovered finished water storage facilities. See "APPENDIX A - GENERAL INFORMATION RELATING TO THE COMMISSION - Administrative Consent Order" herein.

In the opinion of the General Counsel, there is no litigation pending or, to the best knowledge of the General Counsel, threatened to restrain or enjoin the authorization, execution and delivery of the Bonds.

#### APPROVAL OF LEGALITY

Legal matters and certain tax matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Dilworth Paxson LLP, Freehold, New Jersey, Bond Counsel to the Commission ("*Bond Counsel*"). Certain legal matters will be passed upon for the Commission by the General Counsel and for the Underwriter by McManimon, Scotland & Baumann, LLC, Roseland, New Jersey. Except to the extent necessary to issue its approving opinion as to the validity of the Bonds and the exemption of the interest earned on the Bonds from taxation, Bond Counsel has made no inquiry of any Commission officials or other persons as to any financial information, documents, statements or materials, and has not independently verified any such financial information, documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds. Accordingly, Bond Counsel will not express any opinion with respect to the accuracy or completeness of any such financial information, documents, statements or materials. The form of approving opinion of Bond Counsel will be delivered with the Bonds in substantially the form attached hereto as Appendix E.

## TAX MATTERS

### Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "*Code*"), imposes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income of the owners thereof for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Commission has covenanted to comply with the provisions of the Code applicable to the Bonds, and has covenanted not to take any action or permit any action that would cause the interest on the Bonds to be included in gross income under Section 103 of the Code or cause interest on the Bonds to be treated as an item of tax preference for purposes of the alternative minimum tax imposed by the Code on individuals. Bond Counsel will not independently verify the accuracy of those certifications and representations.

Assuming the Commission observes its covenants with respect to compliance with the Code, Bond Counsel is of the opinion that, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of Bonds, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. Bond Counsel is further of the opinion that interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed by the Code, however, for tax years beginning after December 31, 2022, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. See "Certain Federal Tax Considerations" below.

### State Taxes

In the opinion of Bond Counsel, under the laws of the State of New Jersey as enacted and construed on the date of original delivery of the Bonds, interest on the Bonds and any gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act.

### Original Issue Discount

The initial public offering price of certain Bonds may be less than the stated Redemption Price thereof at maturity (each a "*Discount Bond*"). The difference between the initial public offering price for any such Discount Bond and the stated Redemption Price at maturity is "original issue discount". For federal income tax purposes, original issue discount accrues to the original holder of the Discount Bond over the period of its maturity based on the constant yield method compounded annually as interest with the same tax exemption and alternative minimum tax status (if applicable) as regular interest. The accrual of original issue discount increases the holder's tax basis in the Discount Bond for determining taxable gain or loss on the maturity, redemption, prior sale or other disposition of a Discount Bond. Purchasers of the Bonds should consult their tax advisors for an explanation of the accrual rules for original issue discount and any other federal, state or local tax consequences of the purchase of Bonds with original issue discount.

### Original Issue Premium

The initial public offering price of the Bonds may be greater than the stated Redemption Price thereof at maturity (each a "*Premium Bond*"). The difference between the initial public offering price for any such Premium Bond and the stated Redemption Price at maturity is "original issue premium". For federal income tax purposes, original issue premium is amortizable periodically over the term of the Premium Bond through reductions in the holder's tax basis for the Premium Bond for determining gain or

loss from sale or redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the Premium Bond rather than creating a deductible expense or loss. Purchasers of the Bonds should consult their tax advisors for an explanation of the accrual rules for original issue premium and any other federal, state or local tax consequences of the purchase of Premium Bonds.

#### **Certain Federal Tax Considerations**

Ownership of the Bonds may result in collateral federal tax consequences to certain taxpayers, including, without limitation, financial institutions, S corporations with excess net passive income, property and casualty companies, individual recipients of social security or railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, foreign corporations that may be subject to the foreign branch profits tax, and taxpayers who may be deemed to have incurred indebtedness to purchase or to carry the Bonds. Bond Counsel will express no opinion with respect to these or any other collateral tax consequences of the ownership of the Bonds. The nature and extent of the tax benefit to a taxpayer of ownership of the Bonds will generally depend upon the particular nature of such taxpayer or such taxpayer's own particular circumstances, including other items of income or deduction. Accordingly, prospective purchasers of the Bonds should consult their own tax advisors with respect to these and other collateral federal tax consequences resulting from ownership of the Bonds.

#### **Backup Withholding**

Commencing with interest paid in 2006, interest paid on tax-exempt obligations such as the Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

#### **Changes in Law and Post-Issuance Events**

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for federal or state income tax purposes, and thus on the value or marketability of the Bonds. This impact could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of interest on the Bonds from gross income of the owners thereof for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Bonds may occur. Prospective purchasers of the Bonds should consult their own tax advisors regarding such matters.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Bonds may affect the tax status of interest on the Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of counsel other than Bond Counsel.

#### **Section 265 Qualification**

The Code denies the interest deduction for indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of 100% of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues, which must

be so designated by the issuer as qualified under Section 265 of the Code, 80% of such interest may be deducted as a business expense by such institutions.

The Commission is not designating the Bonds as qualified for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations under Section 265 of the Code.

#### **General**

Bond Counsel is not rendering any opinion on any federal tax matters other than those described under the caption "TAX MATTERS". Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

**ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.**

**THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE RECITAL OF THE POTENTIAL TAX CONSEQUENCES OF HOLDING THE BONDS. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS.**

#### **CONTINUING DISCLOSURE**

The Commission has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Commission by no later than nine months after the end of the Commission's fiscal year, commencing with the year ended December 31, 2024 (the "Annual Report"), and to provide audited financial statements for the year ended December 31, 2025 when available, and the Commission has covenanted to provide notices of occurrence of certain enumerated events. The Annual Report will be filed electronically by the Commission with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access dataport ("EMMA"). The notices of certain enumerated events will be filed by the Commission with EMMA. The specific nature of the information to be contained in the Annual Reports or the notices of enumerated events is set forth in "APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT" herein. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission.

The Commission has entered into prior undertakings to provide continuing disclosure for certain outstanding bond issues. In the past five years, the Commission failed to timely file the following: (i) audited financial statements for the years ended December 31, 2020, 2021 and 2022; (ii) operating data for the year ended December 31, 2020; and (iii) required failure to file notices. The Commission has subsequently filed such financial information and the related notices of its failure to timely file with EMMA as required by its prior continuing disclosure undertakings.

The Commission has appointed NW Financial Group, LLC, its municipal advisor, as dissemination agent, to ensure that the Commission will be in compliance with its undertakings for all outstanding bonds, including the Bonds.

## VERIFICATION OF MATHEMATICAL COMPUTATIONS

The Auditor, will deliver to the Commission, on or before the settlement date of the Bonds, its verification report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the Commission, the Underwriter and their representatives. Included in the scope of its engagement will be a verification of (i) the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Treasury obligations to pay, when due, the principal of and accrued interest on the Refunded Bonds, and (ii) the computation of the yields on the Bonds and the Treasury obligations.

The verification services performed by the Auditor will be based solely upon data, information and documents provided to them by the Commission, the Underwriter and their representatives. The verification report will state that the Auditor has no obligation to update the report because of events occurring, or data or information coming to their attention, subsequent to the date of the report.

## UNDERWRITING

The Bonds are being purchased by Raymond James & Associates, Inc. (the "Underwriter") pursuant to a Bond Purchase Contract (the "Purchase Contract") by and between the Underwriter and the Commission. The Purchase Contract provides that the purchase price for the Bonds is \$\_\_\_\_\_ (representing the principal amount of the Bonds of \$\_\_\_\_\_, less Underwriter's discount in the amount of \$\_\_\_\_\_, plus [net] original issue premium in the amount of \$\_\_\_\_\_). The Purchase Contract also provides that the Underwriter will purchase all of the Bonds if any Bonds are purchased. However, the obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract, to the approval of certain legal matters by counsel and to certain other conditions. The initial public offering prices stated on the inside front cover page hereof may be changed from time to time by the Underwriter without prior notice.

The Bonds may be offered and sold to certain dealers (including the Underwriter and other dealers depositing the Bonds into investment trusts) at approximate yields different from the approximate yields set forth on the inside front cover page hereof, and such approximate yields may be changed, from time to time, by the Underwriter.

## AUDITOR

The financial statements and supplemental schedules for the year ended December 31, 2002, included herein in Appendix B, have been audited by Wielkott & Company, LLC, the Commission's auditor, as stated in its opinion included herein, and have been so included in reliance upon such opinion given upon the authority of that firm as experts in accounting and auditing.

## MISCELLANEOUS

Certain provisions of the Act, other provisions of law, the Resolution and certain agreements, reports and documents are summarized in this Official Statement. Such summaries do not purport to be comprehensive or definitive and reference is made to such documents for a full and complete statement of their respective provisions. All quotations from, and summaries and explanations of, the Act, the Resolution and any agreements, reports and documents contained herein do not purport to be complete and reference is made to said documents for a full and complete statement of their respective provisions. Copies of the Resolution may be obtained upon request directed to the Passaic Valley Water Commission, 1525 Main Avenue, P.O. Box 230, Clifton, New Jersey 07011, Telephone No. (973) 340-4300.

The execution and delivery of this Official Statement by its Authorized Official have been duly authorized by the Commission.

**PASSAIC VALLEY WATER COMMISSION**

**By:** \_\_\_\_\_  
**Jeffrey Levine**  
**President**

Dated: February \_\_, 2025

**APPENDIX A**

**GENERAL INFORMATION RELATING TO THE COMMISSION**



**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS OF THE COMMISSION**

**APPENDIX C**

**SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION**

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

**APPENDIX E**

**FORM OF BOND COUNSEL OPINION**

**EXHIBIT D**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

## CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT ("Disclosure Agreement"), dated as of March \_\_, 2025 between the PASSAIC VALLEY WATER COMMISSION (the "Commission") and NW FINANCIAL GROUP, LLC, as Dissemination Agent (the "Dissemination Agent"), is executed and delivered in connection with the issuance of the Commission's \$\_\_\_\_\_ aggregate principal amount of Water Supply System Revenue Refunding Bonds, Series 2025 (the "Bonds"). The Bonds are being issued pursuant to a Resolution dated May 27, 1992 and entitled "Resolution Authorizing the Issuance of Water Supply System Revenue Bonds of the Passaic Valley Water Commission," as amended and supplemented, including by a Supplemental Resolution adopted by the Commission on January 22, 2025 and entitled "Series 2025 Supplemental Resolution No. 1 Supplementing the Passaic Valley Water Commission's General Bond Resolution Duly Adopted May 27, 1992, as Amended and Supplemented and Providing for the Issuance and Sale of Not to Exceed \$12,500,000 Principal Amount of Water Supply System Revenue Refunding Bonds, Series 2025 in One or More Series of the Commission and Determining Various Matters Pertaining Thereto", and an Award Certificate of the Executive Director executed on February \_\_, 2025 (together, the "Resolutions"). The Commission and the Dissemination Agent covenant and agree as follows for the benefit of the Bondholders (as defined below):

The Commission and the Dissemination Agent are entering into this Disclosure Agreement for the benefit of Bondholders. The Commission and the Dissemination Agent covenant and agree as follows:

*Section 1. Purpose of the Disclosure Agreement.* This Disclosure Agreement is being executed and delivered by the Commission for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Exchange Act"). The Commission is an Obligated Person under the Rule, as hereinafter defined.

*Section 2. Definitions.* In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Commission pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any Bond, including holders of beneficial interests in the Bonds.

"Commission Disclosure Representative" shall mean the Executive Director of the Commission, or its designee, or such other person as the Commission shall designate in writing to the Dissemination Agent from time to time for the purposes of this Disclosure Agreement.

"Continuing Disclosure Information" shall mean: (i) the Annual Report; (ii) any notice required to be filed with the MSRB pursuant to Section 5 hereof; and (iii) any notice of an event required to be filed with the MSRB pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean the Dissemination Agent, or any successor Dissemination Agent designated in writing by the Commission and which has filed with the Commission a written acceptance of such designation.

"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 (ii) guaranty 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 MSRB consistent with the Rule.

"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.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

*Section 3. Provision of Annual Reports.*

(a) The Commission shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of the Commission's fiscal year, commencing with the Annual Report for the fiscal year ending December 31, 2024, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Commission may be submitted separately from the balance of the

Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Commission's fiscal year changes, it shall give notice of such change to the MSRB. 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 the MSRB's Internet Web site, or that has been filed with the SEC. [The Commission shall also file, or cause the Dissemination Agent to file, a copy of the Commission's audited financial statements for the year ended December 31, 2023 when available.]

(b) Not later than fifteen (15) Business Days prior to said date, the Commission shall provide the Annual Report to the Dissemination Agent. If the Commission is unable to provide to the Dissemination Agent the Annual Report by the date required in subsection (a), the Dissemination Agent shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A, in an electronic format as prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(c) The Dissemination Agent shall file a report with the Commission certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided.

*Section 4. Content of Annual Reports.* The Commission's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the Commission for the prior fiscal year, prepared in accordance with generally accepted accounting standards (GAAS) as from time to time in effect, and as prescribed by the Division of Local Government Services in the Department of Community Affairs of the State pursuant to Chapter 5 of Title 40A of the New Jersey Statutes. If the Commission's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3, the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. The financial information and operating data set forth in the Official Statement (including Appendices A and B thereto) dated February \_\_, 2025 prepared in connection with the sale of the Bonds, and in the heading entitled "LITIGATION".

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Commission is an "obligated person" (as defined by the Rule), which have been made available to the public on the MSRB's Internet Web site or filed with the SEC. The Commission shall clearly identify each such other document so incorporated by reference. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.



**Section 5. Reporting of Significant Events.**

**(a) Pursuant to the provisions of this Section 5, the Commission shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:**

- 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 security, or others material events affecting the tax status of the Bonds;**
- 7. modifications to rights of Bondholders, if material;**
- 8. Bond calls, if material, and tender offers;**
- 9. defeasances;**
- 10. release, substitution, or sale of property securing repayment of the Bonds, if material;**
- 11. rating changes;**
- 12. bankruptcy, insolvency, receivership or similar events of the Commission, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Commission in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Commission, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental**

- authority having supervision or jurisdiction over substantially all of the assets or business of the Commission;
13. the consummation of a merger, consolidation, or acquisition involving the Commission or the sale of all or substantially all of the assets of the Commission, 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 Dissemination Agent or the change of name of a Dissemination Agent, if material;
  15. incurrence of a Financial Obligation of the Commission, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Commission, any of which affect Bondholders, 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 Issuer, any of which reflect financial difficulties.

(b) Whenever the Commission or the Dissemination Agent obtains knowledge of the occurrence of a Listed Event described in subsection (a) for which the disclosure obligation is dependent upon materiality, as such events relate to the Commission, the Commission or the Dissemination Agent shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If disclosure of a Listed Event is required, the Commission or the Dissemination Agent shall, in a timely manner not in excess of ten business days after the occurrence of the event, file a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Nothing herein shall be deemed to prevent the Commission from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Commission disseminates any such additional information, the Commission shall have no obligation to update such information or include it in any future materials disseminated pursuant to this Agreement.

*Section 6. Termination of Reporting Obligation.* The Commission's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

*Section 7. Dissemination Agent.* The Commission may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure

Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Commission pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be the Dissemination Agent.

*Section 8. Amendment; Waiver.* Notwithstanding any other provision of this Disclosure Agreement, the Commission and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3 or 4, it may only be 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 an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 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, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Commission shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Commission. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

*Section 9. Additional Information.* Nothing in this Disclosure Agreement shall be deemed to prevent the Commission from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, in addition to that which is required by this Disclosure Agreement. If the Commission chooses to include any information in any Annual Report in addition to that which is specifically required by this Disclosure Agreement, the Commission shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report.

*Section 10. Default.* In the event of a failure of the Commission to comply with any provision of this Disclosure Agreement any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Commission to comply with its obligations under this

Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default on the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Commission to comply with this Disclosure Agreement shall be an action to compel performance.

*Section 11. Duties, Immunities and Liabilities of Dissemination Agent.* The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Commission agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Commission under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

*Section 12. Beneficiaries.* This Disclosure Agreement shall inure solely to the benefit of the Commission, the Dissemination Agent, the Participating Underwriter and the Bondholders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

*Section 13. Governing Law.* This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

*Section 14. Severability.* In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

*Section 15.* 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.

[SEAL]

PASSAIC VALLEY  
WATER COMMISSION

Attest:

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
President

[SEAL]

NW FINANCIAL GROUP, LLC, as  
Dissemination Agent

By: \_\_\_\_\_  
Name: Heather Litzebauer  
Title: Managing Director

Disclosure Agreement Signature Page

**Exhibit A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Commission: Passaic Valley Water Commission  
Name of Bond Issue: \$ \_\_\_\_\_ Water Supply System Revenue Refunding Bonds,  
Series 2025  
Date of Issuance: March \_\_, 2025

NOTICE IS HEREBY GIVEN that the Commission has not provided an Annual Report with respect to the above-named Bonds as required by the Resolution. The Commission anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

NW FINANCIAL GROUP, LLC,  
Dissemination Agent

**EXHIBIT E**  
**FORM OF ESCROW DEPOSIT AGREEMENT**

**ESCROW DEPOSIT AGREEMENT**

**by and between**

**PASSAIC VALLEY WATER COMMISSION**

**and**

**MANUFACTURERS AND TRADERS TRUST COMPANY, as Escrow Agent**

**Dated March \_\_, 2025**



## ESCROW DEPOSIT AGREEMENT

**THIS ESCROW DEPOSIT AGREEMENT** (the “Agreement”), dated March \_\_, 2025, by and between PASSAIC VALLEY WATER COMMISSION (the “Commission”) and MANUFACTURERS AND TRADERS TRUST COMPANY, a banking corporation duly created and validly existing under the laws of the State of New York with corporate trust powers in New Jersey, as Escrow Agent hereunder (the “Escrow Agent”).

### WITNESSETH:

**WHEREAS**, pursuant to and in accordance with (i) the provisions of the New Jersey Water Commission Act, constituting Chapter 195 of the Pamphlet Laws of 1923 of the State of New Jersey, as amended and supplemented (codified at N.J.S.A. 40:62-108, *et seq.*) (the “Act”), and (ii) a resolution of the Passaic Valley Water Commission adopted on May 27, 1992 entitled, “Resolution Authorizing the Issuance of Water Supply System Revenue Bonds of The Passaic Valley Water Commission,” as amended and supplemented (the “General Bond Resolution”), as supplemented by supplemental bond resolutions adopted by the Commission on March 19, 2014 and May 21, 2014 and an award certificate executed by an authorized officer of the Commission on May 29, 2014 (collectively, the “Prior Resolution”), the Commission previously issued and sold its Water Supply System Revenue Bonds, Series 2014 in the original aggregate principal amount of \$20,470,000, dated June 16, 2014 (the “Prior Bonds”); and

**WHEREAS**, on January 22, 2025, the Commission adopted a resolution entitled “Series 2025 Supplemental Resolution No. 1 Supplementing The Passaic Valley Water Commission’s General Bond Resolution Duly Adopted May 27, 1992, As Amended And Supplemented And Providing For The Issuance And Sale Of Not To Exceed \$12,500,000 Principal Amount Of Water Supply System Revenue Refunding Bonds, Series 2025 In One Or More Series Of The Commission And Determining Various Matters Pertaining Thereto”, as amended and supplemented by an Award Certificate dated as of February \_\_, 2025 (collectively, the “Supplemental Resolution”, and collectively with the General Bond Resolution, the “Resolution”), providing, among other things, for the issuance of its Water Supply System Revenue Refunding Bonds, Series 2025 in the aggregate principal amount not exceeding \$12,500,000 to provide for the refunding of the Prior Bonds; and

**WHEREAS**, pursuant to the Resolution, the Commission has issued its Water Supply System Revenue Refunding Bonds, Series 2025 in the aggregate principal amount of \$ \_\_\_\_\_ (the “Series 2025 Bonds”) to provide for, *inter alia*, along with other moneys of the Commission, the current refunding of the outstanding Prior Bonds maturing on December 15 of the years 2025 through 2034, inclusive (the “Bonds to be Refunded”), as set forth in **Exhibit A** attached hereto; and

**WHEREAS**, pursuant to the Resolution, the Commission has authorized the deposit with the Escrow Agent of an amount from the proceeds of the sale of the Series 2025 Bonds that, together with other monies of the Commission and the investment income to be earned on such deposit, will be sufficient to pay the principal and redemption premium of and interest on the Bonds to be Refunded on April \_\_, 2025 (the “Redemption Date”); and

**WHEREAS**, the Commission desires to provide instructions to the Escrow Agent relative to the calling of the Bonds to be Refunded for redemption, the payment of the principal and redemption premium of and interest on the Bonds to be Refunded and the investment of the funds placed in escrow for such purposes; and

**WHEREAS**, the Commission and the Escrow Agent desire to enter into this Agreement to provide for the taking of certain actions so as to defease the Bonds to be Refunded and discharge the lien of the Resolution with respect thereto.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows (capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Resolution);

**SECTION 1.** There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated "Passaic Valley Water Commission Series 2014 Bonds Escrow Fund" (the "Escrow Fund") to be held by the Escrow Agent as a trust fund for the benefit of the holders of the Bonds to be Refunded. The Escrow Fund shall be held by the Escrow Agent separate and apart from all other funds of the Commission and the Escrow Agent. On the date when the Bonds to be Refunded are due to be paid, moneys necessary to make such payment will be provided for from the Escrow Fund.

**SECTION 2.** (a) The Escrow Agent hereby represents that it currently holds or has received from the Trustee for the Bonds to be Refunded cash or investments in an amount equal to \$ \_\_\_\_\_ from the Bond Service Fund for the Series 2014 Bonds and \$ \_\_\_\_\_ from the Bond Reserve Fund established for the Series 2014 Bonds.

(b) The Escrow Agent hereby acknowledges receipt of a portion of the proceeds of the sale of the Series 2025 Bonds in the amount of \$ \_\_\_\_\_.

**SECTION 3.** The Escrow Agent shall immediately deposit the amounts set forth in Section 2 hereof in the Escrow Fund and apply \$ \_\_\_\_\_ of such amount (\$ \_\_\_\_\_ of proceeds of the Series 2025 Bonds, \$ \_\_\_\_\_ from the Bond Service Fund and \$ \_\_\_\_\_ from the Bond Reserve Fund) to the purchase of the non-callable direct obligations of the United States of America listed in **Exhibit B** attached hereto (the "Defeasance Obligations") and hold the balance in cash. In sole reliance on the verification report of \_\_\_\_\_ (the "Verification Agent") as described in its verification report attached hereto as **Exhibit D** (the "Verification Report"), the Commission represents that the amounts so deposited in the Escrow Fund, together with the income from the investment thereof to be retained in the Escrow Fund pursuant to this Agreement, will provide sufficient funds to pay the principal and redemption premium of and interest on each series of the Bonds to be Refunded, as set forth in **Exhibit C** attached hereto.

**SECTION 4.** (a) The Bonds to be Refunded are deemed to have been paid within the meaning of, and for all purposes, of the Resolution by the purchase of the Defeasance Obligations, which mature as to principal and interest in such amounts and at such times together with the cash set aside in the Escrow Fund as will be sufficient to make payment to the holders

of the Bonds to be Refunded when due (whether by reason of maturity or upon redemption as provided in the Resolution) of all principal thereof, premium, if any, and interest thereon at the times and in the manner stipulated in the Resolution and in this Agreement (in sole reliance of the parties hereto upon the computations prepared by Raymond James & Associates, Inc. As verified by the Verification Agent), as set forth in the Verification Report for deposit in the Escrow Fund, and the Commission having caused to be paid to the Escrow Agent, for application to the Trustee, all sums of moneys due or to become due according to the provisions of the Resolution, the presents and the estate and rights granted in the Resolution to the holders of the Bonds to be Refunded shall cease and terminate. This Agreement shall constitute irrevocable written direction of the Commission to the Escrow Agent to cause the Trustee to cancel and discharge the lien with respect to the Bonds to be Refunded and execute and deliver to the Commission such instruments in writing as the Commission shall request as shall be requisite to cancel and discharge the lien thereof, and reconvey, release, assign and deliver unto the Commission any and all the estate, right, title and interest in and to any and all property conveyed, assigned or pledged to the Trustee or otherwise subject to the lien with respect to the Bonds to be Refunded. Any Bond to be Refunded paid pursuant to this Agreement shall be canceled in accordance with the Resolution.

(b) This Agreement shall constitute the Commission's irrevocable notice and written instructions to the Escrow Agent:

(i) stating the date the principal (and premium, if any) of each Bond to be Refunded is to be paid, whether at maturity or on a Redemption Date;

(ii) to give, promptly following the execution and delivery of this Agreement, and at least thirty (30) days prior to the Redemption Date, in the manner prescribed by Section 406 of the General Bond Resolution, a notice of redemption and defeasance, substantially in the form of **Exhibit E**, attached hereto, in satisfaction of the requirements for such notice as set forth in the Resolution, stating (A) that the Bonds to be Refunded have been called for redemption as described in Section 4(c) hereof, (B) that a deposit has been made with the Escrow Agent and that the Bonds to be Refunded are deemed to have been paid in accordance with Section 1201 of the General Bond Resolution and (C) the date upon which moneys are to be available for the payment of the redemption price of the Bonds to be Refunded; and

(iii) to further cause copies of each such notice of redemption and defeasance to be sent (A) to the Municipal Securities Rulemaking Board (the "MSRB") by registered mail, certified mail, overnight delivery service (or other similarly secure service acceptable to the Escrow Agent) and (B) Moody's Investors Service, Inc., by first class mail, at Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, NY 10007. The notice the MSRB shall be sent at least two (2) business days in advance of the date notices addressed to registered owners are deposited in the United States Mail.

(c) This Agreement shall constitute the Commission's irrevocable written instructions to the Escrow Agent in its capacity as the Trustee, pursuant to Section 403 of the General Bond Resolution to redeem the Bonds to be Refunded, in the manner prescribed, on the Redemption Date at a redemption price equal to 100% of the principal amount of the Bonds to be Refunded.

**SECTION 5.** The Escrow Agent agrees that the amounts deposited in each account of the Escrow Fund pursuant to Section 3 hereof and the interest income to be earned thereon and any other moneys and investments deposited in the Escrow Fund will be held in trust for the benefit of the holders of each series of the Bonds to be Refunded. The Escrow Agent shall apply the principal of and interest on the Defeasance Obligations, together with any other moneys available in the Escrow Fund, to the payment, when due, of the principal, redemption premium, if any, and interest due on each series of the Bonds to be Refunded pursuant to the payment schedule attached as Exhibit C hereto. The Escrow Agent shall have no liability for the payment of the principal and redemption premium of and interest on the Bonds to be Refunded pursuant to this Section 5 and the Resolution, except for the application of moneys and obligations available for such purposes in the Escrow Fund. The Escrow Agent shall not be liable for any loss resulting from any investment made in accordance with the provisions of this Agreement.

**SECTION 6. (a)** Except as provided in Sections 3, 4 and 5 hereof, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Defeasance Obligations.

**(b)** At the written request of the Commission and with the written consent of an Authorized Officer of the Commission, given not less than five (5) days before the date of the action being requested and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer or otherwise dispose of or request the redemption of the Defeasance Obligations and shall substitute for such Defeasance Obligations only cash or State Local Government Series obligations ("SLGS") or other Defeasance Obligations as may be permitted with respect to the Bonds to be Refunded (the "Substitute Defeasance Obligations") which may or may not permit the redemption thereof at the option of the Trustee, but not at the option of the issuer of such securities. The Commission hereby covenants that it will not authorize or permit the Escrow Agent to use directly or indirectly any part of the moneys or funds at any time in the Escrow Fund to acquire any investment property, the acquisition of which would cause any 2017A Bonds to be "arbitrage bonds" as defined in Section 148(a) of the Code as then in effect. The Escrow Agent shall purchase such Substitute Defeasance Obligations with the proceeds derived from the sale, transfer, disposition or redemption of the Defeasance Obligations. The amounts realized from the disposition of Defeasance Obligations and purchase of Substitute Defeasance Obligations, together with earnings on such Substitute Defeasance Obligations not required by the Escrow Agent to fulfill its obligations under Section 4 hereof as evidenced by the current applicable certified public accountant verification report, shall be retained in the Escrow Fund until the date all prior Bonds to be Refunded have been paid. The disposition and substitution described in this Section may be effected only if the Commission delivers to the Escrow Agent (i) a certificate of an independent certified public accountant, or similar firm experienced in providing such opinions, stating the amounts realized in the preceding sentence for transfer to the Commission and, then, to the Commission and verifying that the principal amount of the Substitute Defeasance Obligations to be substituted, and the interest income to be earned thereon, will be sufficient without further reinvestment to permit the Escrow Agent to fulfill the obligations set forth under Section 5 hereof, (ii) an unqualified opinion of nationally recognized bond counsel to the effect that the disposition and substitution or purchase of such securities will not (A) affect for Federal income tax purposes the tax-exempt status of interest on

the Bonds to Be Refunded and (b) cause the Bonds to Be Refunded to be “arbitrage bonds” within the meaning of Section 148 of the Code and (iii) payment of all costs by the Commission. The Escrow Agent shall incur no liability in complying with the provisions of this Section provided it meets the gross negligence standard of care in the Resolution.

**SECTION 7.** On April \_\_, 2025, after payment of the principal and redemption premium of and interest on the Bonds to be Refunded, all remaining moneys and securities in the Escrow Fund shall be deposited in the Bond Service Fund established under the Resolution and the Escrow Fund shall terminate.

**SECTION 8.** The Escrow Fund created hereby shall be irrevocable and the holders of the Bonds to be Refunded shall have an express lien on and security interest in all amounts deposited in the Escrow Fund, including all amounts representing principal of and interest on the Defeasance Obligations on deposit in the Escrow Fund, until used and applied in accordance herewith. The Escrow Agent and the Commission shall take or caused to be taken all action necessary to preserve the security of the holders of the Bonds to be Refunded and the right, title and interest of the Escrow Agent to all amounts deposited in the Escrow Fund and the principal and interest with respect to the Defeasance Obligations so long as the Escrow Agent holds any amounts in the Escrow Fund.

**SECTION 9.** (a) Unless otherwise provided by contract, the Escrow Agent shall be compensated for its reasonable fees, expenses and disbursements, including reasonable legal fees, incurred with respect to services rendered hereunder, based upon itemized invoices submitted to the Commission for payment. This right to receive compensation notwithstanding, the Escrow Agent acknowledges that it has no claim against or lien on the moneys or securities on deposit in the Escrow Fund for any such payment.

(b) The recitals of fact in this Agreement shall be taken as the statements of the Commission, and the Escrow Agent does not assume any responsibility for the correctness of the same. The Escrow Agent shall not be under any obligation or duty to perform any act that would involve it in expense or liability or to institute or defend any suit in respect of this Agreement or to advance any of its own moneys unless properly indemnified to its satisfaction. The Escrow Agent shall not be liable in connection with the performance of its respective duties hereunder, except for its own gross negligence or willful misconduct.

(c) The Escrow Agent shall be entitled to rely and act upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine, and to have been signed and presented by the proper party or parties, and may consult with counsel, who may or may not be counsel to the Commission, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Agreement, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by an authorized officer of the Commission, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions

of this Agreement, but in its discretion the Escrow Agent may in lieu thereof accept other evidence of such act or matter or any require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Commission to the Escrow Agent shall be sufficiently executed if executed in the name of the Commission by an authorized officer thereof.

(d) The Commission, subject to the limitation of its liability under the Resolution and applicable New Jersey law, shall indemnify and save harmless the Escrow Agent against any loss, liability or expense, including legal fees, that the Escrow Agent may incur in the exercise and performance of its powers and duties hereunder and that are not due to its own gross negligence or willful misconduct. The indemnification of the Escrow Agent provided for in this Section 9(d) shall survive termination of this Agreement pursuant to Section 11 hereof.

(e) The Escrow Agent may resign at any time and be discharged of its duties hereunder; *provided*, that: (i) it has given not less than sixty (60) days' written notice to the Commission of such resignation; (ii) the Commission has appointed a successor to the Escrow Agent hereunder; (iii) the Escrow Agent has received an instrument of acceptance executed by the successor to the Escrow Agent hereunder; and (iv) the Escrow Agent has delivered to its successor hereunder all of the escrowed documents, Defeasance Obligations and moneys held by the Escrow Agent in the Escrow Fund. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i) through (iv) of this Section 9(e) and only if the Escrow Agent has complied with, and is not in default of any of its obligations under, this Agreement, unless the Commission consents to such resignation. Upon receipt by the Commission of the written notice described in clause (i) above, the Commission shall use its best efforts to obtain a successor to the Escrow Agent hereunder as soon as possible.

(f) The Escrow Agent may be removed at any time by the Commission by an instrument in writing signed and acknowledge by the Commission. A copy of such instrument shall be delivered by the Commission to the Escrow Agent at least thirty (30) days prior to the effective date of the removal of such Escrow Agent. Upon such effective date, the Escrow Agent shall deliver to the Escrow Agent's successor (at the direction of the Commission) all documents, instruments and moneys listed in clause (iv) of Section 9(e) hereof.

(g) Any bank that merges with or merges into the Escrow Agent shall be deemed the successor Escrow Agent without any further action hereunder.

**SECTION 10.** Except as provided in Section 9(d) hereof, this Agreement shall terminate when the principal and redemption premium of and interest on all of the Bonds to be Refunded shall have been fully paid; *provided*, that moneys held by the Escrow Agent in the Escrow Fund for the payment and discharge of any of the Bonds to be Refunded that remain unclaimed on a date that is one day prior to the date on which such moneys would otherwise escheat to the state in which the Escrow Agent to the Commission as its absolute property free and clear from the trust and pledge created by this Agreement. The Escrow Agent shall thereupon be released and discharged with respect hereto, and the holders of such Bonds to be Refunded payable from such moneys shall look only to the Commission for the payment of such Bonds to be Refunded.

**SECTION 11.** This Agreement shall not repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without the written consent of the holders of one hundred percent (100%) in aggregate principal amount of the unpaid Bonds to be Refunded at the time such election is made; *provided, however*, that the Commission and the Escrow Agent may, without the consent of or notice to the holders of the unpaid Bonds to be Refunded, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity, formal defect or omission in this Agreement; or
- (b) to grant to or confer upon the Escrow Agent for the benefit of the holders of the Bonds to be Refunded any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent.
- (c) to modify or supplement this Agreement in order to meet the requirements of any rating agency for rating the Series 2025 Bonds in the highest category.

The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized bond counsel with respect to the matters provided for in this Section 11, including the extent, if any, to which any change, modification, addition or elimination affects the rights of holders of the Bonds to be Refunded or that any instrument executed hereunder complies with the conditions or provisions of this Section 11. Notwithstanding anything in this paragraph to the contrary, no change shall be made to any provision of this Agreement regarding the investment or other use of the proceeds of the Series 2025 Bonds without an unqualified opinion of nationally recognized bond counsel to the effect that such change, and the investment or other use of the proceeds of the Series 2025 Bonds in accordance with such change, will not adversely affect the exclusion of interest on the Series 2025 Bonds from gross income provided under Section 103 of the Code.

**SECTION 12.** As of the date hereof, there shall be deposited by the Commission with the Escrow Agent \$ \_\_\_\_\_ for the payment of the costs of issuance of the Series 2025 Bonds. There is hereby created and established with the Escrow Agent an account designated "Passaic Valley Water Commission Cost of Issuance Account" ("Cost of Issuance Account"). The Cost of Issuance Account shall be held by the Escrow Agent and will be applied to pay the costs of issuance of the Series 2025 Bonds in accordance with a closing schedule provided by the Commission. The Escrow Agent will transfer any remaining sums to the Trustee for deposit onto the Debt Service Fund thirty (30) days from the Redemption Date.

**SECTION 13.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF**, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first above written.

**PASSAIC VALLEY WATER COMMISSION**

By: \_\_\_\_\_  
Name:  
Title: President

**MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Escrow Agent**

By: \_\_\_\_\_  
Name: Brooks Von Arx, Jr.  
Title: Vice President



**EXHIBIT A**

**BONDS TO BE REFUNDED**

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Call Date</u>	<u>Call Price</u>	<u>CUSIP</u>
12/15/2025	5.000%	\$1,095,000	4/ /2025	100%	702845 JG4
12/15/2026	5.000%	1,150,000	4/ /2025	100%	702845 JH2
12/15/2027	3.125%	1,210,000	4/ /2025	100%	702845 JJ8
12/15/2028	3.250%	1,245,000	4/ /2025	100%	702845 JK5
12/15/2029	5.000%	1,290,000	4/ /2025	100%	702845 JL3
12/15/2030	3.375%	1,350,000	4/ /2025	100%	702845 JM1
12/15/2031	3.500%	1,400,000	4/ /2025	100%	702845 JN9
12/15/2032	5.000%	1,445,000	4/ /2025	100%	702845 JP4
12/15/2033	3.625%	1,520,000	4/ /2025	100%	702845 JQ2

**EXHIBIT B**  
**DEFEASANCE OBLIGATIONS**

**EXHIBIT C**  
**STATEMENT OF CASH FLOW**

**EXHIBIT D**  
**VERIFICATION REPORT**

**EXHIBIT E**

**NOTICE OF REDEMPTION AND DEFEASANCE**

**PASSAIC VALLEY WATER COMMISSION**

**Water Supply System Revenue Bonds, Series 2014**

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Call Date</u>	<u>Call Price</u>	<u>CUSIP</u>
12/15/2025	5.000%	\$1,095,000	4/___/2025	100%	702845 JG4
12/15/2026	5.000%	1,150,000	4/___/2025	100%	702845 JH2
12/15/2027	3.125%	1,210,000	4/___/2025	100%	702845 JJ8
12/15/2028	3.250%	1,245,000	4/___/2025	100%	702845 JK5
12/15/2029	5.000%	1,290,000	4/___/2025	100%	702845 JL3
12/15/2030	3.375%	1,350,000	4/___/2025	100%	702845 JM1
12/15/2031	3.500%	1,400,000	4/___/2025	100%	702845 JN9
12/15/2032	5.000%	1,445,000	4/___/2025	100%	702845 JP4
12/15/2033	3.625%	1,520,000	4/___/2025	100%	702845 JQ2

**NOTICE IS HEREBY GIVEN** to the holders of the above-referenced bonds (the "Bonds") that (A) the Bonds have been called for redemption on April \_\_, 2025 (the "Redemption Date"), at a redemption price of 100% of the principal amount thereof (the "Redemption Price"), plus interest accrued to the Redemption Date and (B) there has been deposited with Manufacturers and Traders Trust Company, Iselin, New Jersey, as Escrow Agent (the "Escrow Agent") moneys and investment securities the principal of and interest on which, when due, will provide moneys which will be sufficient to pay the Redemption Price, plus accrued interest on the Redemption Date. The Bonds are deemed to have been paid in accordance with Section 1201 of the Commission's General Bond Resolution, dated as of May 27, 1992.

You are hereby notified that the Bonds should be presented for redemption at the offices of Manufacturers and Traders Trust Company (the "Paying Agent"), c/o Wilmington Trust Operations, Corporate Trust Operations, Attn: Workflow Management, 1100 N. Market Street, Wilmington, DE 19890, on or immediately prior to the Redemption Date. On the Redemption Date, the Bonds will become due and payable at the Redemption Price stated above, plus interest accrued to the Redemption Date, and interest on the Bonds shall cease to accrue and be payable from and after the Redemption Date.

No representation is made as to the correctness or accuracy of the CUSIP Numbers, either as printed on the Bonds or as contained in this Notice of Redemption. Reliance may only be placed on the identification numbers printed herein or on the Bonds.

**PASSAIC VALLEY WATER COMMISSION**

By: **Manufacturers and Traders Trust Company**  
as Escrow Agent

Dated: March \_\_, 2025

**Special Tax Notice:** Under certain circumstances, under Federal law, payments to bondholders may be subject to "backup withholding" at a rate equal to the fourth lowest rate of tax applicable under Section 1(c) of the Code. This withholding generally applies if the owner (i) fails to furnish such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnishes to the payor an incorrect TIN, (iii) fails to properly report interest, dividends or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalties of perjury, that the TIN is correct and that such holder of the Bonds is not subject to backup withholding. Owners of the Bonds should consult their own tax advisors as to their qualification for backup withholding and the procedures for exemption.

## EXHIBIT F

### APPROVED BOND INSURANCE PROVISIONS

As used herein, (i) "Bond Insurer" means \_\_\_\_\_, a \_\_\_\_\_, or any successor thereto or assignee thereof, and (ii) "Bond Insurance Policy" means the insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Bonds when due.

As a means to further secure the payment of the principal and interest on the Series 2025 Bonds (herein, the "Insured Bonds"), and in consideration for the issuance of the Bond Insurance Policy by the Bond Insurer, for so long as any Insured Bonds shall remain outstanding and the Bond Insurance Policy relating thereto shall be in effect and the Bond Insurer remains in compliance with its obligations under said Bond Insurance Policy, and unless waived in writing by the Bond Insurer, notwithstanding any provision in the Resolution to the contrary, the Commission shall comply with the following provisions:

- (a) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Bond Reserve Fund. Notwithstanding anything to the contrary set forth in the Resolution, amounts on deposit in the Bond Reserve Fund shall be applied solely to the payment of debt service due on the Insured Bonds and any bonds issued on parity with the Insured Bonds and secured by the Bond Reserve Fund.
- (b) The Bond Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Insured Bonds are entitled to take pursuant to the Resolution pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Resolution and each Insured Bond, the Trustee and each Holder of the Insured Bonds appoints the Bond Insurer as its agent and attorney-in-fact and agrees that the Bond Insurer may at any time during the continuation of any proceeding by or against the Commission under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Holder of the Insured Bonds delegates and assigns to the Bond Insurer, to the fullest extent permitted by law, its rights in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each Holder of the Insured Bonds for the Bond Insurer's benefit and agrees to cooperate with the Bond Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the Insured Bondholders shall expressly include mandamus.
- (c) The maturity of Insured Bonds shall not be accelerated without the consent of the Bond Insurer and in the event the maturity of the Insured Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Commission) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Bond Insurance Policy with respect to such Insured Bonds shall be fully discharged.
- (d) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Bond Insurer. No grace period shall be permitted for payment defaults.
- (e) The Bond Insurer shall be included as a third-party beneficiary to the Resolution.
- (f) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Insured Bonds to be redeemed shall be subject to the approval of the Bond Insurer. The exercise of any provision of the Resolution which permits the purchase of Insured Bonds in lieu of redemption shall require the prior written approval of the Bond Insurer if any Insured Bond so purchased is not cancelled upon purchase.

- (g) Any amendment, supplement, modification to, or waiver of, the Resolution or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Holders of Insured Bonds or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.
- (h) Unless the Bond Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Construction Fund derived from original proceeds of the Series 2025 Bonds shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Series 2025 Bonds.
- (i) The rights granted to the Bond Insurer under the Resolution or any other Related Document to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Holders of the Insured Bonds and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Holders of the Insured Bonds or any other person is required in addition to the consent of the Bond Insurer.
- (j) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Bond Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Bond Insurer, securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Insured Bonds unless the Bond Insurer otherwise approves.

To accomplish defeasance of the Insured Bonds, the Commission shall cause to be delivered to the Bond Insurer (i) a report of either a nationally-recognized verification agent or a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable in form and substance to the Bond Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Insured Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement or other irrevocable written instructions to the Trustee (each of which shall be acceptable in form and substance to the Bond Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Insured Bonds are no longer "Outstanding" under the Resolution and (iv) if required, a certificate of discharge of the Trustee with respect to the Insured Bonds. Each Verification and defeasance opinion shall be addressed to the Commission, Trustee and Bond Insurer. The Bond Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

The Insured Bonds shall be deemed "Outstanding" under the Resolution unless and until they are in fact paid and retired or the above criteria are met.

- (k) Amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of the Resolution and the Insured Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Commission in accordance with the Resolution. The Resolution shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.
- (l) The Commission covenants and agrees to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Revenues under applicable law.
- (m) Claims Upon the Bond Insurance Policy and Payments by and to the Bond Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under the Resolution, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the "Bond Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon,

New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

The Trustee shall designate any portion of payment of principal on Insured Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Insured Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to the Bond Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Commission on any Insured Bond or the subrogation rights of the Bond Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Insured Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Insured Bondholders referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Insured Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Holders of Insured Bonds in the same manner as principal and interest payments are to be made with respect to the Insured Bonds under the sections of the Resolution regarding payment of Insured Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the Resolution to the contrary, the Commission agrees to pay to the Bond Insurer (i) a sum equal to the total of all amounts paid by the Bond Insurer under the Bond Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the "Bond Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Commission hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the Revenues and payable from such Revenues on a parity with debt service due on the Insured Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following an Insured Bond payment date shall promptly be remitted to the Bond Insurer.

- (n) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Commission to the Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.
- (o) The Commission shall pay or reimburse the Bond Insurer, from Revenues, any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of



any remedies under the Resolution or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Resolution or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Resolution or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Resolution or any other Related Document.

- (p) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Commission or rebate only after the payment of past due and current debt service on the Insured Bonds and amounts required to restore the Bond Reserve Fund to the Bond Reserve Requirement.
- (q) The Bond Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Commission (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof, whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.
- (r) The notice address of the Bond Insurer is: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, Attention: \_\_\_\_\_, Telephone: (\_\_\_\_) \_\_\_\_-\_\_\_\_; Telecopier: (\_\_\_\_) \_\_\_\_-\_\_\_\_. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the \_\_\_\_\_ and shall be marked to indicate "\_\_\_\_\_".
- (s) The Bond Insurer shall be provided with the following information by the Commission or Trustee, as the case may be:
- (i) To the extent not otherwise filed with the Municipal Securities Rulemaking Board's EMMA system, annual audited financial statements within 270 days after the end of the Commission's fiscal year (together with a certification of the Commission that it is not aware of any default or Event of Default under the Resolution), and the Commission's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Bond Insurer shall reasonably request from time to time;
  - (ii) Notice of any draw upon the Bond Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Bond Reserve Requirement and (ii) withdrawals in connection with a refunding of Insured Bonds;
  - (iii) Notice of any default known to the Trustee or Commission within five Business Days after knowledge thereof;
  - (iv) Prior notice of the advance refunding or redemption of any of the Insured Bonds, including the principal amount, maturities and CUSIP numbers thereof;
  - (v) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;
  - (vi) Notice of the commencement of any Insolvency Proceeding;
  - (vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Insured Bonds;
  - (viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents;
  - (ix) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents; and

- (x) All information furnished pursuant to any continuing disclosure agreement, covenant or undertaking with respect to the Insured Bonds, shall also be provided to the Bond Insurer, simultaneously with the furnishing of such information.
- (t) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.
- (u) The Commission will permit the Bond Insurer to discuss the affairs, finances and accounts of the Commission or any information the Bond Insurer may reasonably request regarding the security for the Insured Bonds with appropriate officers of the Commission and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Commission on any business day upon reasonable prior notice.
- (v) The Trustee shall notify the Bond Insurer of any failure of the Commission to provide notices, certificates and other information under the transaction documents.
- (w) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Resolution, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Bond Reserve Fund is fully funded at the Bond Reserve Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Bond Insurer.
- (x) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Resolution would adversely affect the security for the Insured Bonds or the rights of the Holders of the Insured Bonds, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Bond Insurance Policy
- (y) No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer; provided, that this shall not be deemed to apply to any actions that are authorized by the Resolution or approved by bondholders in accordance with the provisions of the Resolution, including, inter-alia, the incurrence of debt, the enforcement of remedies and the application of moneys.
- (z) So long as any Insured Bonds remain outstanding or any amounts are owed to the Bond Insurer by the Commission, the Commission shall not enter into any interest rate exchange agreement, cap, collar, floor, ceiling or other agreement or instrument involving reciprocal payment obligations between the Commission and a counterparty based on interest rates applied to a notional amount of principal, without the prior written consent of the Bond Insurer.

**EXHIBIT G**

**FORM OF PUBLIC NOTICE**

**PUBLIC NOTICE IS HEREBY GIVEN by the Passaic Valley Water Commission, that resolution No. 25-017 entitled “SERIES 2025 SUPPLEMENTAL RESOLUTION NO. 1 SUPPLEMENTING THE PASSAIC VALLEY WATER COMMISSION’S GENERAL BOND RESOLUTION DULY ADOPTED MAY 27, 1992, AS AMENDED AND SUPPLEMENTED AND PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$12,500,000 PRINCIPAL AMOUNT OF WATER SUPPLY SYSTEM REVENUE REFUNDING BONDS, SERIES 2025 IN ONE OR MORE SERIES OF THE COMMISSION AND DETERMINING VARIOUS MATTERS PERTAINING THERETO” was adopted on January 24, 2025, and that a copy of such resolution is available for public inspection in the offices of the Administrative Secretary of the Passaic Valley Water Commission, 1525 Main Ave., Clifton, NJ 07015, and in the offices of the City Clerks of the Cities of Paterson, Passaic and Clifton; and that any action or proceeding of any kind or nature and any court questioning the validity or proper authorization of the obligations authorized by the Supplemental Resolution, or the validity of any covenants, agreements or contracts provided by the Supplemental Resolution, must be commenced within twenty (20) days after the first publication of this notice. This notice is published pursuant to N.J.S.A 40:62-133.5.**

**PASSAIC VALLEY WATER COMMISSION  
By Louis Amodio, Administrative Secretary**

**Date of Publication: January \_\_, 2025**