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NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY

Finance Committee Meeting October 29, 2024

Agenda

1. Resolution: Approval of Minutes of September 5, 2024
2. Resolution: Recommendation to the Board of Directors – Approval of Resolution Authorizing the Issuance of Fiscal 2025 Series 1 Bond Anticipation Notes

NYW

NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY

Finance Committee Meeting
October 29, 2024

Approval of Minutes

WHEREAS, the Finance Committee of the New York City Municipal Water Finance Authority has reviewed the minutes of the previous meeting of the Finance Committee held on September 5, 2024; it is therefore

RESOLVED, that the minutes of the Finance Committee meeting of September 5, 2024 are hereby approved.

**NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY
FINANCE COMMITTEE
September 5, 2024**

A meeting of the Finance Committee (the “Committee”) of the New York City Municipal Water Finance Authority (the “Authority”) was held at 2:00 p.m. on September 5, 2024 in Conference Room 6-M4, 255 Greenwich Street, New York, NY 10007. The following Committee members were present:

David Womack (by designation of Authority Director Jacques Jiha);

Nerissa Moray (by designation of Authority Director Rohit Aggarwala);

Selvin Southwell (by designation of Authority Director Sean Mahar);

Dara Jaffee (by designation of Authority Director Preston Niblack);

Max Von Hollweg; and

James McSpiritt

constituting a quorum of the Finance Committee. Mr. Womack chaired the meeting, and Deborah Cohen served as Secretary of the meeting. Members of the public attended in person and via conference call.

Approval of Minutes of Previous Meeting

The first item on the agenda was the approval of the minutes of the previous Finance Committee meeting. There being no discussion, upon motion duly made and seconded, the following resolution was unanimously adopted by the members present:

WHEREAS, the Finance Committee of the New York City Municipal Water Finance Authority has reviewed the minutes of the previous meeting of the Finance Committee held on March 28, 2024; it is therefore

RESOLVED, that the minutes of the Finance Committee meeting of March 28, 2024 are hereby approved.

Recommendation to the Board of Directors – Approval Resolution No. 189 Authorizing the Issuance of Fiscal 2025 Series AA Water and Sewer System Second General Resolution Revenue Bonds

Mr. Womack introduced the next resolution on the Committee’s agenda and explained that the Authority is planning to issue up to \$1.2 billion of Fiscal 2025 Series AA Water & Sewer System Second General Resolution Revenue Bonds. Mr. Womack explained that the Authority expected to issue \$900 million of bonds, but had built in a cushion to account for market fluctuations. Mr. Womack noted the issuance would be broken out into two subseries: Fiscal 2025 AA-1 has an expected issuance of approximately \$600 million of new money, fixed rate bonds; and Fiscal 2025 AA-2 has an expected issuance of approximately \$130 million of refunding bonds to refund outstanding RPIs. He noted that the remaining authorized issuance may be used to increase the size of the new money piece of the transaction, and/or may be applied to the purchase of bonds tendered subsequent to the Authority’s release of an invitation to tender such bonds. Mr. Womack explained that if the Authority determined such a tender is advantageous, it would post the invitation to tender on Friday, September 6. Mr. Womack also noted that the not to exceed TIC for the transaction is 6%, and that the expected TIC for the transaction is 4.5%. Finally, Mr. Womack noted that the expected pricing date is September 25, 2024, with an expected closing date of October 2, 2024. Then, upon unanimous vote, the following resolution were adopted:

WHEREAS, pursuant to the New York Public Authorities Law, the Finance Committee of the New York City Municipal Water Finance Authority (the “Authority”) is charged with reviewing proposals for the issuance of debt by the Authority and making recommendations to the Board; and

WHEREAS, the Finance Committee has received and reviewed a proposal for the approval of Supplemental Resolution No. 189 Authorizing the Issuance of Fiscal 2025 Series AA Water & Sewer System Second General Resolution Revenue Bonds; it is therefore

RESOLVED, that the Finance Committee recommends to the Board of Directors the approval Supplemental Resolution No. 189 Authorizing the Issuance of Fiscal 2025 Series AA Water & Sewer System Second General Resolution Revenue Bonds.

Adjournment

There being no further business to come before the Committee, by unanimous vote of members present, the Committee meeting was adjourned.

Assistant Secretary

NYW

**NEW YORK CITY
MUNICIPAL WATER FINANCE AUTHORITY**

Finance Committee Meeting

October 29, 2024

Recommendation to the Board of Directors: Approval of Resolution Authorizing the Issuance of Fiscal 2025 Series 1 Bond Anticipation Notes

WHEREAS, pursuant to the New York Public Authorities Law, the Finance Committee of the New York City Municipal Water Finance Authority (the “Authority”) is charged with reviewing proposals for the issuance of debt by the Authority and making recommendations to the Board; and

WHEREAS, the Finance Committee has received and reviewed a proposal for the approval of Resolution Authorizing the Issuance of Fiscal 2025 Series 1 Bond Anticipation Notes; it is therefore

RESOLVED, that the Finance Committee recommends to the Board of Directors the approval Resolution Authorizing the Issuance of Fiscal 2025 Series 1 Bond Anticipation Notes.

NYW

NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY

Board of Directors Meeting

October 29, 2024

Agenda

1. Resolution: Approval of Minutes of October 7, 2024
2. Resolution: Approval of Resolution Authorizing the Issuance of Fiscal 2025 Series 1 Bond Anticipation Notes

NYW

**NEW YORK CITY
MUNICIPAL WATER FINANCE AUTHORITY**

Board of Directors Meeting

October 29, 2024

Approval of Minutes

WHEREAS, the Board of Directors has reviewed the minutes of its meeting held on October 7, 2024; it is therefore

RESOLVED, that the minutes of the meeting of October 7, 2024 be and they hereby are, approved.

**NEW YORK CITY MUNICIPAL WATER
BOARD OF DIRECTORS
October 7, 2024**

A meeting of the Board of Directors (the “Board”) of the New York City Municipal Water Finance Authority (the “Authority”) was held at 10:36 a.m. in Conference Room 6-M4, 255 Greenwich Street, New York, NY 10007, on October 7, 2024. The following Board members were present in person:

David Womack (by designation of Authority Director Jacques Jiha);

Nerissa Moray (by designation of Authority Director Rohit Aggarwala);

Selvin Southwell (by designation of Authority Director Sean Mahar);

Max Von Hollweg; and

James McSpiritt;

constituting a quorum of the Board of Directors. Mr. Womack chaired the meeting, and Deborah Cohen served as Secretary of the meeting. Members of the public attended in person and via conference call.

Approval of Minutes of Previous Meeting

The first item on the agenda was approval of the minutes of the previous meeting of the Board. There being no discussion the following resolution was unanimously adopted by vote:

WHEREAS, the Board of Directors has reviewed the minutes of its meeting held on September 5, 2024; it is therefore

RESOLVED, that the minutes of the meeting of September 5, 2024 be and they hereby are, approved.

Acceptance of Independent Auditors Report and Financial Statements

The second item on the agenda was a resolution to accept the independent auditors report on the Water & Sewer System’s audited financial statements for the fiscal years ended June 30, 2024 and June 30, 2023 and authorization to release such financial statements. Mr. Womack

noted that the proposed resolution would allow non-material changes, acceptable to the Comptroller of the Authority, to be made. He also noted that the Joint Audit Committee of the Authority and the New York City Water Board recommended the Board of Directors approve this resolution. Then, the following resolution was unanimously adopted by vote:

WHEREAS, the Joint Audit Committee of the New York City Municipal Water Finance Authority (the “Authority”) and the New York City Water Board (the “Water Board”) has met with the independent auditors of the water and sewer system of the City of New York (the “System”) and has reviewed the independent auditors’ report on the audited financial statements of the System for the fiscal years ended June 30, 2024 and June 30, 2023 and such financial statements; and

WHEREAS, the Joint Audit Committee believes the independent auditors’ report and the financial statements are reasonable and appropriate and has recommended that the Board of Directors of the Authority and the Water Board accept the independent auditors’ report and authorize the release of the financial statements; it is therefore

RESOLVED, that the Board of Directors of the Authority hereby accepts the independent auditors’ report on the audited financial statements of the System for the fiscal years ended June 30, 2024 and June 30, 2023 and authorizes the release of such audited financial statements upon approval of the Water Board; provided that both the independent auditors’ report and the audited financial statements may be amended to reflect non-material changes acceptable to the Comptroller of the Authority.

Approval of Investment Guidelines

Mr. Womack introduced the third item on the agenda, which was the approval of the Authority’s Investment Guidelines (the “Investment Guidelines”)¹. He noted that a review of the Investment Guidelines was required annually by the Public Authorities Law, and that changes were proposed, as reflected in a blackline circulated to the Board of Directors. Discussion ensued and the Authority’s Executive Director, Philip Wasserman responded to questions regarding the proposed changes. Then the following resolution was unanimously adopted by vote:

¹ Filed with the meeting minutes.

WHEREAS, the New York City Municipal Water Finance Authority (the “Authority”), adopted Investment Guidelines on April 10, 1986 to establish policies for the investment of its funds and subsequently amended the Investment Guidelines;

WHEREAS, the Authority is required annually to review its Investment Guidelines; and

WHEREAS, the Board of Directors has reviewed the attached Investment Guidelines and has deemed them to be reasonable and appropriate; it is therefore

RESOLVED, that the Investment Guidelines, a copy of which will be filed with the Minutes of the Meeting, are hereby approved.

Approval of Investment Report

Mr. Womack noted the fourth item on the agenda was the approval of the Authority’s Investment Report², which includes the Investment Guidelines, the independent auditors audit of the Authority’s investments, and an investment income record of the Authority, including a list of fees commissions and other charges paid for investment services. Then, the following resolution was unanimously adopted by vote:

WHEREAS, the New York City Municipal Water Finance Authority (the “Authority”), pursuant to the Authority’s Investment Guidelines, is required to annually prepare and approve an Investment Report; and

WHEREAS, the Board has reviewed the attached Investment Report and has deemed it to be reasonable and appropriate, it is therefore

RESOLVED, that the Investment Report is hereby approved.

Approval of Assignment of Financial Advisor Agreement

The fifth item on the agenda was a resolution approving the assignment of the Authority’s Financial Advisor Agreement with Lamont Financial Services (“Lamont”) to NW Financial Holdings (“NWH”). Mr. Womack explained that the Board previously approved the Authority entering into the agreement with Lamont as one of the Authority’s Co-Financial

² Filed with the meeting minutes.

Advisors and that such agreement including Robert Lamb listed as Key Personnel. Mr. Womack further explained that, subsequent to the Authority entering into such agreement, NNWH acquired certain assets of Lamont Financial Services Corporation and entered into an employment agreement with Robert Lamb. Given the acquisition and Mr. Lamb's employment arrangement with NWH, Mr. Womack explained that Authority staff recommended the Authority enter into an assignment agreement with NWH whereby the Authority's agreement with Lamont is fully assigned to NWH for the same terms and conditions as the Authority's agreement with Lamont. There being no discussion, the following resolution was unanimously adopted by vote:

WHEREAS, the Board of Directors (the "Board") of the New York City Municipal Water Finance Authority (the "Authority") previously approved the Authority entering into an agreement with Lamont Financial Services Corporation ("Lamont") to serve as one of the Authority's Co-Financial Advisors;

WHEREAS, the Authority entered into such agreement with Lamont effective July 1, 2024 ("Authority-Lamont Agreement");

WHEREAS, effective August 1, 2024, Lamont entered into an agreement with NW Financial Holdings, a financial consulting firm ("NWH") whereby NWH acquired certain assets and liabilities of Lamont, and agreed to hire certain employees of Lamont; ("NWH-Lamont Agreement");

WHEREAS, the NWH-Lamont Agreement served as an employment agreement between NWH and Robert Lamb, who is listed as Key Personnel in the Authority-Lamont Agreement;

WHEREAS, in consideration of the foregoing, the Authority staff hereby propose the Authority entering into an assignment agreement whereby the Authority-Lamont Agreement is assigned to NWH effective August 1, 2024, with all other terms and conditions of the agreement remaining in full effect; and

WHEREAS, the Board believes it is in the best interest of the Authority to enter into such assignment agreement; it is therefore

RESOLVED, that the Chief Executive Officer, Executive Officer or other Authorized Officer is hereby authorized and directed to enter into an assignment agreement between the Authority and NWH, upon such terms and conditions as

Chief Executive Officer, Executive Officer or other Authorized Officer may consider reasonable and appropriate, provided that such agreement assigns the services required by the Authority-Lamont Agreement to NWH effective August 1, 2024, with all other terms and conditions of the agreement remaining in full effect.

Approval of Arbitrage Consultant Agreement

The sixth item on the agenda was the approval of a resolution which would authorize the Authority to enter into an agreement with Omnicap Group LLC (“Omnicap”) to serve as an arbitrage consultant and provide certain bona fide debt service analysis services. Mr. Womack explained that Omnicap has provided such services to the Authority, but the previous agreement has since expired. Mr. Womack noted that the proposed resolution would authorize the Authority to enter into an agreement with Omnicap for a period of one year, with a one-year optional renewal at the discretion of the Authority, with a not-to-exceed fee limit included in the proposed resolution. There being no discussion, the following resolution was unanimously adopted by vote:

WHEREAS, the New York City Municipal Water Finance Authority (the “Authority”) is authorized, pursuant to Section 1045-d(7) of the New York City Municipal Water Finance Authority Act to retain or employ counsel, auditors, engineers and private consultants for rendering professional or technical services and advice; and

WHEREAS, pursuant to the Authority’s Policy on the Procurement of Goods and Services, Article II, Section 6(iii) and Article II, Section 6(iv), Authority staff recommend that the Authority enter into an agreement with Omnicap Group LLC (“Omnicap”) to serve as an arbitrage consultant and provide certain bona fide debt service analysis services; it is therefore

RESOLVED, that the Chief Executive Officer, Executive Officer or other Authorized Officer is hereby authorized and directed to enter into an agreement in the name of and on behalf of the Authority with Omnicap to serve as an arbitrage consultant to the Authority and to provide certain bona fide debt service analysis services, upon such terms and conditions as Chief Executive Officer, Executive Officer or other Authorized Officer may consider reasonable and appropriate, which agreement shall be effective for the period from October 7, 2024 through October 6, 2025, with a one year optional extension at the discretion of the Authority with further Board approval not required, provided however, that compensation under such agreement shall be limited to \$50,000 annually.

Approval of Mission Statement and Performance Measures and Authorization to Publish Measurement Report

The seventh item on the agenda was the approval of the Authority's Mission Statement and Performance Measures, and a resolution which would authorize publishing the Authority's completed Measurement Report. Mr. Womack explained that, pursuant to the Public Authorities Law, the Authority previously adopted a mission statement and measurements by which it could assess how well it is carrying out that mission. He noted that a typo had been addressed in the Mission Statement, but otherwise no changes had been made, and that the Authority's measurement report³ had been completed, as required by the Public Authorities Law. There being no discussion, the following resolution was unanimously adopted by vote:

WHEREAS, pursuant to Section 2800 of the Public Authorities Law (the "PAL"), the Board of Directors (the "Board") of the New York City Municipal Water Finance Authority (the "Authority") previously adopted a mission statement on October 1, 2007 and amended it on March 29, 2010 to add a list of measures by which performance of the Authority and the achievement of its goals may be evaluated;

WHEREAS, the Authority is required to annually review and approve its Mission Statement and Performance Measures ("Mission Statement");

WHEREAS, the Authority is also required to issue an annual Measurement Report based on the Performance Measures; and

WHEREAS, the Board has reviewed its Mission Statement, and the completed Measurement Report, and finds them to be reasonable; it is hereby

RESOLVED, that Board accepts the Mission Statement and authorizes the completed Measurement Report to be published.

Report of Governance Committee Chair

Mr. Womack introduced the eighth and final item on the Board's agenda, which was a presentation by the Governance Committee Chair, Max Von Hollweg. Mr. Von Hollweg noted

³ Filed with the meeting minutes.

that the Governance Committee had met earlier that day, and conducted a self-evaluation, where they concluded that they were acting in a satisfactory manner consistent with their charter. He explained that a report of the Committee's actions in the previous fiscal year had been provided to the Board.

Adjournment

There being no further business to come before the Board, upon a unanimous vote by roll call of the members present, the Board of Directors meeting was adjourned.

ASSISTANT SECRETARY

**NEW YORK CITY
MUNICIPAL WATER FINANCE AUTHORITY**

BOND ANTICIPATION NOTE RESOLUTION

FISCAL 2025 SERIES 1

Adopted October [], 2024

A RESOLUTION AUTHORIZING THE ISSUANCE BY THE NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY OF ITS BOND ANTICIPATION NOTES, FISCAL 2025 SERIES 1; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTES; AND PROVIDING FOR THE RIGHTS OF NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION.

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I. DEFINITIONS; CONTRACT AND AUTHORITY	1
SECTION 1.01 Definitions	1
SECTION 1.02 Authority for the Resolution	7
SECTION 1.03 Resolution and Notes Constitute a Contract	7
ARTICLE II. AUTHORIZATION AND ISSUANCE OF NOTES	7
SECTION 2.01 Authorization of Notes	7
SECTION 2.02 Purposes	8
SECTION 2.03 Provisions for Issuance of Notes	8
SECTION 2.04 Delegation of Authority	9
SECTION 2.05 Forms of Notes	10
SECTION 2.06 Additional Obligations	10
SECTION 2.07 Approval of Project Finance Agreement.....	10
SECTION 2.08 Execution of Documents	10
ARTICLE III. GENERAL TERMS AND PROVISIONS OF NOTES	10
SECTION 3.01 Place and Medium of Payment.....	10
SECTION 3.02 Maturities and Interest Rates	11
SECTION 3.03 Date of Notes	11
SECTION 3.04 Denominations, Numbers and Letters	11
SECTION 3.05 Forms of Notes	11
SECTION 3.06 Master Note	11
SECTION 3.07 Legends	11
SECTION 3.08 Execution and Authentication	11
ARTICLE IV. REDEMPTION OF NOTES; PRINCIPAL FORGIVENESS	12
SECTION 4.01 Mandatory Redemption.....	12
SECTION 4.02 Optional Redemption	12
ARTICLE V. PLEDGE OF RESOLUTION; FUNDS AND ACCOUNTS; APPLICATION THEREOF	12
SECTION 5.01 Pledge of Resolution	12
SECTION 5.02 Establishment of Funds and Accounts	14
SECTION 5.03 Proceeds Fund	14
SECTION 5.04 Payment Fund.....	14
SECTION 5.05 Advances Under the Project Finance Agreement.....	14
ARTICLE VI. INVESTMENT OF FUNDS	15
SECTION 6.01 Investment of Funds and Accounts	15
SECTION 6.02 Liability for Investments	15

TABLE OF CONTENTS (continued)

	<u>Page</u>
ARTICLE VII. PARTICULAR COVENANTS	15
SECTION 7.01 Payment of Principal and Interest	15
SECTION 7.02 Extension of Payment of Notes	15
SECTION 7.03 Powers as to Notes and Pledge.....	16
SECTION 7.04 Further Assurance	16
SECTION 7.05 Accounts and Audits	16
SECTION 7.06 Creation of Liens	16
SECTION 7.07 Offices for Payment	16
SECTION 7.08 Limitation on Notes.....	16
SECTION 7.09 Agreement of the State	17
SECTION 7.10 General	17
 ARTICLE VIII. CONCERNING THE TRUSTEE.....	 17
SECTION 8.01 Appointment and Acceptance of Trustee	17
SECTION 8.02 Resignation or Removal of Trustee.....	17
SECTION 8.03 Successor Trustee	17
SECTION 8.04 Transfer of Rights and Property to Trustee.....	17
SECTION 8.05 Merger or Consolidation	18
 ARTICLE IX. SUPPLEMENTAL RESOLUTIONS	 18
SECTION 9.01 Modification and Amendment Without Consent	18
SECTION 9.02 Supplemental Resolutions Effective With Consent of EFC.....	19
SECTION 9.03 General Provisions Relating to Supplemental Resolutions.....	19
 ARTICLE X. AMENDMENTS OF RESOLUTION.....	 19
SECTION 10.01 Powers of Amendment	19
SECTION 10.02 Exclusion of Notes	20
 ARTICLE XI. DEFAULTS AND REMEDIES.....	 20
SECTION 11.01 Events of Default.....	20
SECTION 11.02 Enforcement of Remedies	20
SECTION 11.03 Remedies not Exclusive	20
SECTION 11.04 Priority of Payments After Default	21
 ARTICLE XII. DEFEASANCE	 21
SECTION 12.01 Defeasance	21
 ARTICLE XIII. MISCELLANEOUS.....	 22
SECTION 13.01 Further Authority.....	22
SECTION 13.02 Preservation and Inspection of Documents.....	22
SECTION 13.03 Moneys and Funds Held for Particular Notes	22
SECTION 13.04 Cancellation of Notes	23

TABLE OF CONTENTS (continued)

	<u>Page</u>
SECTION 13.05 No Recourse under Resolution or on the Notes	23
SECTION 13.06 Severability of Invalid Provision.....	23
SECTION 13.07 Parties of Interest.....	23
SECTION 13.08 Notices.....	23
SECTION 13.09 Other Resolutions	23
SECTION 13.10 Headings.....	23
SECTION 13.11 Governing Laws	24
SECTION 13.12 Authorized Representative of the City	24
SECTION 13.13 Changes to this Resolution.....	24

BOND ANTICIPATION NOTE RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE BY THE NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY OF ITS BOND ANTICIPATION NOTES, FISCAL 2025 SERIES 1; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTES; AND PROVIDING FOR THE RIGHTS OF NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION.

BE IT RESOLVED BY THE NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY AS FOLLOWS:

ARTICLE I.

DEFINITIONS; CONTRACT AND AUTHORITY

SECTION 1.01 Definitions. (a) All terms which are defined in Section 101 of the Second General Resolution, unless otherwise defined herein, shall have the same meanings, respectively, in this Resolution as such terms are given in said Section 101 of the Second General Resolution.

Act means the New York City Municipal Water Finance Authority Act, constituting Title 2A of Article 5 of the Public Authorities Law, as amended;

Advance means any amount advanced pursuant to the Project Finance Agreement in connection with the Notes;

Advice means a notice or a written instrument executed by the Trustee and delivered to EFC which specifies the amount by which the indebtedness evidenced by a Master Note is to be increased on any particular date, the rates of interest at which each portion of such amount is to bear interest, the respective dates on which each portion of such amount matures and such other information as may be required pursuant to the systems and procedures of EFC of the Master Note;

Agreement means the Financing Agreement, dated as of July 1, 1985, entered into pursuant to Section 1045-i of the Act, by and among the Authority, the Board and the City, as it has been or may from time to time be supplemented or amended in accordance with the terms thereof;

Authority means the New York City Municipal Water Finance Authority, a body corporate and politic constituting a public benefit corporation, created by and existing under the Act, or any body, agency or instrumentality of the State or the City which shall hereafter succeed to the rights, powers, duties and functions of the Authority;

Authorized Representative means (i) in the case of the Authority, the Chief Executive Officer, Executive Director, Deputy Executive Director, Comptroller, Secretary, Assistant Secretary, Treasurer, Deputy Treasurer or Assistant Treasurer of the Authority, or such other person or persons as may be designated by resolution of the Authority; and (ii) in the case of the Board, the Chairman or Executive Director of the Board, or such other person or persons so designated by resolution of the Board;

Available Commitment means, on any particular date of calculation, the aggregate amount available to be advanced under the Project Finance Agreement on such date;

Bond Counsel means Nixon Peabody LLP and Hardwick Law Firm, LLC or an attorney or other firm of attorneys, appointed by the Authority, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds;

Business Day means any day which is not a Saturday, Sunday or a legal holiday in the State or a day on which the New York Stock Exchange, banking institutions chartered by the State or the United States of America, or the Trustee are legally authorized to close in The City of New York;

Code means the Internal Revenue Code of 1986 or any successor thereto as the same may be in effect from time to time, and the applicable regulations thereunder;

Costs or Costs of a Water Project means the cost of “construction”, as such term is defined in the Act including, without limiting the generality of the foregoing, the erection, building, alteration, improvement, increase, enlargement, extension, reconstruction, renovation or rehabilitation of the System or a Water Project, the inspection and supervision thereof, the engineering, architectural, legal, fiscal, economic and environmental investigations and studies, surveys, designs, plans, working drawings, specifications, procedures and other actions incidental thereto, the cost of the acquisition of all property; the cost of demolishing, removing or relocating any buildings or structures on lands so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved or relocated; the cost of all systems, facilities, machinery, apparatus and equipment, financing charges, interest prior to, during and after construction to the extent not paid or provided for from revenues or other sources; the cost of engineering and architectural surveys, plans and specifications; the cost of consultants’ and legal services; the cost of lease guarantee or bond insurance, other expenses necessary, reasonably related or incidental to the construction of such Water Project and the financing of the construction thereof, including the cost of Credit Facilities, the amounts authorized in the General Resolution or the Second General Resolution to be paid into any reserve or other special fund from the proceeds of bonds or other obligations issued thereunder and the financing of the placing of any Water Project in operation, including reimbursement to any municipality, state agency, the State, the United States of America, or any other person for expenditures that would be costs of such Water Project hereunder and all claims arising from any of the foregoing;

Costs of Issuance means the items of expense incurred in connection with the authorization, sale and issuance of the Notes, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, professional consultants’ fees, fees and charges for execution and transportation of Notes, premiums, fees and charges for insurance on Notes, costs and expenses of refunding Notes and other costs, charges and fees, including those of the Authority, in connection with the foregoing;

Defeasance Security means:

(A) any non-callable bonds or other obligations which as to principal and interest constitute direct obligations of, or are guaranteed by the United States of America, including obligations of any agency thereof or corporation which has been or may hereafter be created pursuant

to an Act of Congress as an agency or instrumentality of the United States of America to the extent unconditionally guaranteed by the United States of America;

(B) any other non-callable receipt, certificate or other evidence of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in subclause (A) of this clause;

(C) a non-callable obligation of the United States of America which has been stripped by the United States Department of the Treasury itself or by any Federal Reserve Bank (not including “CATS”, “TIGRS” and “TRS” unless the Authority obtains rating confirmation with respect to the Outstanding Notes to be defeased);

(D) the interest component of REFCORP bonds for which separation of principal and interest is made by request of the Federal Reserve Bank of New York in book-entry form;

(E) an obligation of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision (i) the interest on which is excludable from gross income under Section 103 of the Code, (ii) that, at the time an investment therein is made or such obligation is deposited in any fund or account established pursuant to Section 12.01 hereof, is rated in the highest rating category by at least two Rating Services, one of which then maintains a rating on the Outstanding Notes, (iii) that is not subject to redemption prior to maturity other than at the option of the holder thereof or either (1) has irrevocably been called for redemption or (2) as to which irrevocable instructions have been given to call such obligation on a stated future date and (iv) the timely payment of the principal or redemption price thereof and interest thereon is fully secured by a fund consisting only of cash or obligations described in clauses (A), (B), (C), (D), (E) and (F), which fund may be applied only to the payment of the principal of and interest and redemption premium, if any, on the obligation secured thereby; and

(F) a non-callable note, bond, debenture, mortgage or other evidence of indebtedness that, at the time acquired, is (i) issued or guaranteed by the Federal Agricultural Mortgage Corporation (Farmer Mac), Federal Farm Credit bank (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC - Freddie Mac), Federal National Mortgage Corporation (FNMA - Fannie Mae), Financing Corporation (FICO), Resolution Funding Corporation (REFCORP) and the Tennessee Valley Authority or any other instrumentality or government sponsored enterprise of the United States of America and (ii) rated in the highest rating category by at least two Rating Services, one of which maintains a rating on the Outstanding Notes, unless such obligations have a maturity of 360 days or less in which case such obligations are rated in the highest short-term rating category, without regard to qualification of such rating symbols such as “+” or “-”, by at least two Rating Services, at least one of which then maintains a rating on the Outstanding Notes; provided, further, that the term “**Defeasance Security**” shall not mean any interest in a unit investment trust or a mutual fund;

EFC means the New York State Environmental Facilities Corporation established under the New York State Environmental Facilities Corporation Act, constituting Title 12 of Article 5 of the Public Authorities Law and Chapter 43-A of the Consolidated Laws of the State of New York, as from time to time amended and supplemented;

General Resolution means the Authority's Water and Sewer System General Revenue Bond Resolution, adopted November 14, 1985, as it has been or may from time to time be supplemented or amended in accordance with the terms thereof;

General Resolution Bonds means Bonds as such term is defined in the General Resolution;

Master Note means a Note substantially in the form annexed hereto as Exhibit A issued in the aggregate principal amount of \$454,275,734 and registered in the name of EFC;

Maturity Date means the date on which the principal of and interest on a Note is due and payable;

Note or **Notes** means any of the notes of the Authority authorized and issued pursuant to Section 2.01 hereof, including the Master Note;

Outstanding, when used in reference to Notes, means, as of a particular date, all Notes authenticated and delivered hereunder except: (i) any Note cancelled at or before such date; (ii) any Note deemed to have been paid in accordance with Section 12.01 hereof; and (iii) any Note in lieu of or in substitution for which another Note shall have been authenticated and delivered pursuant to Article III or Section 9.06 of the Second General Resolution hereof;

Payment Fund means the fund so designated, created and established pursuant to Section 5.02 hereof;

Permitted Investments means and includes any of the following securities, if and to the extent the same are at the time legal investments by the Authority of the funds to be invested therein and conform to the policies set forth in any investment guidelines adopted by the Authority and in effect at the time of the making of such investment:

(i) obligations of any state, agency, political subdivision or public authority within the United States, provided such obligations are rated, at the time of purchase, in one of the two highest rating categories by at least two Rating Services, one of which maintains a rating on the Outstanding Notes;

(ii) (A) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are guaranteed by, the United States of America, including obligations of any agency, subdivision, department, division or instrumentality thereof or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency, subdivision, department, division or instrumentality of the United States of America to the extent unconditionally guaranteed by the United States of America or (B) any other receipt, certificate or other evidence of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in subclause (A) of this clause (ii); securities under this clause include but are not limited to those issued by the US Treasury (bills, notes, bonds, STRIPS, TIPS), Government National Mortgage Association (GNMA), Farm Credit System Financial Assistance Corporation (FCSFAC), General Service Administration (GSA), Maritime Administration, Small Business Administration and the Federal Financing Bank;

(iii) obligations of any agency, subdivision, department, division, instrumentality or government sponsored enterprise of the United States of America; or obligations fully guaranteed as to interest and principal by any agency, subdivision, department, division, instrumentality or government sponsored enterprise of the United States of America; provided, however, that at the time of purchase such obligations are rated in one of the two highest rating categories by at least two Rating Services, at least one of which then maintains a rating on the Outstanding Notes, unless such obligations have a maturity of 360 days or less in which case such obligations are rated in the highest short-term rating category, without regard to qualification of such rating symbols such as “+” or “-”, by at least two Rating Services, at least one of which then maintains a rating on the Outstanding Notes; securities under this clause include but are not limited to those issued by the Federal Agricultural Mortgage Corporation (Farmer Mac), Federal Farm Credit bank (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC - Freddie Mac), Federal National Mortgage Corporation (FNMA - Fannie Mae), Financing Corporation (FICO), Resolution Funding Corporation (REFCORP) and the Tennessee Valley Authority;

(iv) banker’s acceptances or certificates of deposit issued by a commercial bank (A) whose long-term debt obligations are rated in one of the two highest long-term rating categories by at least two Rating Services, one of which then maintains a rating on the Outstanding Notes, (B) that has its principal place of business within the United States and (C) that has capital and surplus of more than \$100,000,000;

(v) corporate securities, including commercial paper and fixed income obligations, which are, at the time of purchase, rated by at least two Rating Services, one of which then maintains a rating on the Outstanding Notes, in its highest rating category;

(vi) repurchase agreements collateralized by securities described in clauses (i), (ii) or (iii) above with any registered broker/dealer or with any domestic commercial bank whose long-term debt obligations are rated “investment grade” by at least two Rating Services, one of which then maintains a rating on the Outstanding Notes, provided that (1) a specific written repurchase agreement governs the transaction, (2) the securities are held, free and clear of any lien, by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (a) a Federal Reserve Bank, or (b) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$200,000,000, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee, (3) the repurchase agreement has a term of thirty days or less, or the Trustee will value the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within five business days of such valuation and (4) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 102%;

(vii) investment agreements or guaranteed investment contracts with any financial institution whose senior long-term debt obligations, or whose obligations under such an investment agreement or guaranteed investment contract are guaranteed by a financial institution whose senior long-term debt obligations, have a rating (at the time such agreement or contract is entered into) in one of the two highest rating categories for comparable types of obligations by at least two Rating Services, one of which then maintains a rating on the Outstanding Notes;

(viii) money market funds rated in the highest rating category for comparable types of obligations by at least two Rating Services, one of which then maintains a rating on the Outstanding Notes; and

(ix) municipal obligations, the payment of principal and redemption price, if any, and interest on which is irrevocably secured by obligations of the type referred to in clauses (ii) or (iii) above and which obligations have been deposited in an escrow arrangement which is irrevocably pledged to the payment of such municipal obligations and which municipal obligations are rated in the highest rating category for comparable types of obligations by at least two Rating Services, one of which then maintains a rating on the Outstanding Notes;

Proceeds Fund means the fund so designated, created and established pursuant to Section 5.02 hereof;

Project Finance Agreement means the Clean Water State Revolving Fund Project Finance Agreement (Short-Term Financing Program), dated as of November [___], 2024, among the Authority, the City and EFC;

Rating Service means a nationally recognized statistical rating organization (“NRSRO”) registered with the Securities and Exchange Commission;

Reimbursement Obligation means any and all amounts including, but not limited to, fees, expenses, Advances and other amounts which may from time to time be owing by the Authority to EFC under the Project Finance Agreement;

Request for Advance means a written (including electronic) request for an Advance substantially in the form of Exhibit K to the Project Finance Agreement;

Resolution means this Bond Anticipation Note Resolution, as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms and provisions hereof;

Revenues shall have the meaning contained in the General Resolution;

Second General Resolution means the Authority’s Water and Sewer System Second General Revenue Bond Resolution, adopted March 30, 1994, as it may from time to time be supplemented or amended in accordance with the terms thereof;

State means the State of New York;

Supplemental Resolution means any resolution of the Authority amending or supplementing the Resolution or any previously adopted Supplemental Resolution, adopted and becoming effective in accordance with the terms and provisions of Article IX hereof;

Trustee means U.S. Bank Trust Company, National Association and its successor or successors and any other bank or trust company which may at any time be substituted in its place pursuant hereto; and

Water Project shall have the meaning ascribed hereto in Section 1045-b(20) of the Act, including any sewerage facility, water facility or water and sewerage facility as described therein and constituting a part of the System.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies as well as natural persons.

The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder”, and any similar terms, as used in the Resolution, refer to the Resolution.

SECTION 1.02 Authority for the Resolution. The Resolution is adopted pursuant to the provisions of the Act.

SECTION 1.03 Resolution and Notes Constitute a Contract. With respect to the Notes, in consideration of the purchase and acceptance of any and all of the Notes authorized to be issued hereunder by those who shall hold or own the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Authority and EFC, and the pledge made herein and the covenants and agreements set forth to be performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of EFC, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any such Notes over any other thereof except as expressly provided herein or permitted hereby.

ARTICLE II.

AUTHORIZATION AND ISSUANCE OF NOTES

SECTION 2.01 Authorization of Notes. There are hereby authorized to be issued for the purposes set forth in Section 2.02 hereof, Notes of the Authority and there is hereby created a continuing pledge and lien as provided hereby to secure the payment of the principal of and interest on all the Notes and to secure EFC to the extent provided in Section 5.01 hereof. The Notes shall be designated as “New York City Municipal Water Finance Authority Bond Anticipation Notes, Fiscal 2025 Series 1”. The Notes shall be special obligations of the Authority payable solely in the manner more particularly provided herein.

The aggregate principal amount of Notes which may be executed, authenticated and delivered is not limited except that the aggregate principal amount of all Notes Outstanding at any time shall not exceed four hundred fifty-four million two hundred seventy-five thousand seven hundred and

thirty-four dollars (\$454,275,734). The Notes are issued in anticipation of the issuance of Bonds or General Resolution Bonds and constitute Bond Anticipation Notes within the meaning of the General Resolution and Parity Bond Anticipation Notes within the meaning of the Second General Resolution.

The Notes of the Authority shall not be a debt of the State, the City or the Board nor shall the State, the City or the Board be liable thereon, nor shall the Authority be obligated to pay the principal of or interest on the Notes out of any funds other than those of the Authority hereby pledged thereto.

SECTION 2.02 Purposes. The Notes may be issued for any one or more of the following purposes: (i) to pay the Costs of a Water Project or to reimburse the Authority or the City for amounts advanced by either of them for payment of the Costs of a Water Project, (ii) to pay the Costs of Issuance of Notes, (iii) to pay or provide for the payment of the principal of Outstanding Notes, (iv) to pay or provide for the payment of the principal of and interest on any Reimbursement Obligations of the Authority pursuant to the Project Finance Agreement and (v) to pay or provide for the payment of Bonds or General Resolution Bonds.

SECTION 2.03 Provisions for Issuance of Notes. On or prior to the date on which Notes are first issued hereunder, the Authority shall deliver to the Trustee and EFC:

(a) A copy of the Resolution, certified by an Authorized Representative of the Authority;

(b) The executed original Project Finance Agreement;

(c) A certificate of an Authorized Representative of the Authority in which the Authority represents and warrants that (i) the Notes then to be issued are being issued for purposes authorized by Section 2.02 of the Resolution, (ii) the proceeds of such Notes will be paid, deposited or applied in the manner provided herein, (iii) all actions on the part of the Authority necessary for the valid issuance of the Notes have been taken, and that such Notes will be valid obligations of the Authority enforceable in accordance with their terms, (iv) the issuance of such Notes, together with all other Notes issued by the Authority, shall be within every limitation on the issuance of Notes prescribed hereby and by the Act and (v) the Authority is not in default in the performance of any covenant, condition, agreement or provision hereof or in the performance of any material covenant, condition, agreement or provision of the General Resolution or the Second General Resolution;

(d) A certificate of an Authorized Representative of the Board in which the Board represents and warrants that the Board is not in default in the performance of any covenant, condition, agreement or provision of the Agreement;

(e) An opinion of counsel to EFC stating, in the opinion of such counsel, that the Project Finance Agreement has been duly authorized, executed and issued by authorized representatives of EFC and constitutes the legal, valid and binding obligation of EFC, enforceable against EFC in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally or as to the availability of any particular remedy, and with respect to such other matters as may be required by the Authority; and

(f) An opinion of Bond Counsel stating, in the opinion of Bond Counsel, that the Resolution has been duly and lawfully adopted by the Authority; that the Resolution is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms; that the Resolution creates the valid pledge and the valid lien which it purports to create, subject only to the provisions of the Resolution permitting the withdrawal, payment, setting apart or appropriation of the moneys in the funds and accounts established under the Resolution for the purposes and on the terms and conditions set forth in the Resolution; and that the Authority is duly authorized and entitled to issue the Notes and, upon the execution and delivery thereof and upon authentication by the Trustee, the Notes will be duly and validly issued and will constitute valid and binding special obligations of the Authority entitled to the benefits of the Resolution; **provided, however**, that such opinion may be qualified to the extent that enforceability of rights and remedies may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally or as to the availability of any particular remedy.

The Notes shall be executed by the Authority and delivered to EFC. Such Notes or an Advice shall from time to time and in such amounts as directed by an Authorized Representative of the Authority be authenticated by the Trustee and by it delivered to or upon the order of the Authority upon receipt of the consideration therefor.

Upon each issuance of Notes or of an Advice, the Authority shall be deemed to have represented and warranted that the representations and warranties made by it pursuant to clause (c) of this Section 2.03 and by the Board pursuant to clause (d) of this Section 2.03 are, to best of the Authority's knowledge, true and correct in all material respects on and as of the date of issuance as if such representations and warranties had been made on such date.

SECTION 2.04 Delegation of Authority. There is hereby delegated to an Authorized Representative of the Authority, subject to the limitations contained herein, the power to determine and carry out, the following:

- (a) The issuance and sale of the Notes at public or private sale;
- (b) The aggregate principal amount of each Note or indebtedness to be incurred pursuant to an Advice;
- (c) The date or dates, the maturity date or dates and principal amounts of each maturity of the Notes or indebtedness under the Master Note; provided, however, that the maturity date with respect to each Advance shall be no later than five years from the date of each such Advance;
- (d) The rate or rates per annum, calculated in accordance with Section 3.02 hereof, at which the Notes bear interest; provided, however, that no Note or indebtedness under the Master Note shall have a true interest cost, or bear interest at a rate per annum, greater than five percent (5.0%); and
- (e) The Dealer.

Such Authorized Representative may give direction to the Trustee as to the terms and form of the Notes or Advices to be issued orally or by EDP terminal or telex, but in such event, an Authorized Representative of the Authority shall promptly give written confirmation thereof to the Trustee.

Each Note shall be identical in all respects to each other Note, except as to principal amount, rate of interest, numbers and letters, date of issuance and maturity date, and except that, subject to the provisions of Section 3.05 hereof, they may be registered either to bearer or in the name of the owner thereof.

SECTION 2.05 Forms of Notes. The form and provisions of the Master Note and the Trustee's Certificate of Authentication thereon shall be substantially as set forth in Exhibit A hereto.

SECTION 2.06 Additional Obligations. The Authority reserves the right to issue (i) General Resolution Bonds which shall have a charge or lien upon the Revenues and the FGR Subordinated Indebtedness Fund which is prior to the charge or lien created hereby and (ii) Bonds, Parity Bond Anticipation Notes and Parity Reimbursement Obligations which may, subject to the limitations contained in the Second General Resolution, have a charge or lien upon the assets or property pledged hereby which is equal to the charge or lien created hereby. The Authority also reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness is not, entitled to a charge or lien or right prior or equal to the charge or lien created hereby, or prior or equal to the rights of EFC provided hereby or with respect to the moneys and other property pledged hereunder.

SECTION 2.07 Approval of Project Finance Agreement. The form of the Project Finance Agreement, as presented at this meeting, and the pledge made and lien created thereby, are hereby approved. Any Authorized Representative of the Authority is hereby authorized to execute such Project Finance Agreement and Recipient Note referred to therein in the name and on behalf of the Authority, substantially in such form, with such changes, insertions and omissions as may be approved by said Authorized Representative, said execution being conclusive evidence of such approval. The Project Finance Agreement constitutes a Parity Reimbursement Obligation within the meaning of the Second General Resolution.

SECTION 2.08 Execution of Documents. Each of the Authorized Representatives of the Authority is hereby authorized to execute and deliver, in the name and on behalf of the Authority, any and all documents and instruments, and to do and cause to be done any and all acts and things, an Authorized Representative deems necessary or advisable in connection with the offering, sale and issuance of the Notes from time to time to be issued hereunder or the execution and performance of the Authority's obligations under the Project Finance Agreement, and to carry out the transactions contemplated hereby and thereby.

ARTICLE III.

GENERAL TERMS AND PROVISIONS OF NOTES

SECTION 3.01 Place and Medium of Payment. The Notes shall be payable, with respect to the interest thereon and the principal thereof, 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. The principal of and interest on the Notes, including the Master Note, shall be payable at the office of the Trustee upon the surrender to the Trustee of the Notes as they mature. The principal of and interest on the Notes shall be payable by wire transfer to EFC at the wire transfer address in the continental United States to which EFC has directed the Trustee to wire such payment.

SECTION 3.02 Maturities and Interest Rates. The Notes shall mature at the times and bear interest at the rates determined by an Authorized Representative of the Authority and evidenced in the Notes; **provided, however,** that no Note or indebtedness relating to an Advance shall mature later than five years from the date of such Advance.

Each Note or any respective principal amount of the Master Note shall be deemed to bear interest at the rate per annum stated therein or in the respective Advices and shall be computed on the basis of a three hundred sixty-five (365) day year and actual days elapsed.

SECTION 3.03 Date of Notes. The principal amount of the Master Note issued pursuant to an Advice and each other Note shall be dated and bear interest from the date of issuance of such Advice or Note, respectively.

SECTION 3.04 Denominations, Numbers and Letters. The Notes shall be lettered and numbered "BAN-2025-1" followed by the number of the Note. The Note shall be numbered, respectively, from one upwards in order of issuance.

SECTION 3.05 Forms of Notes. The Notes may be issued in the form of fully registered Notes without coupons registered in the name of EFC and held by EFC.

SECTION 3.06 Master Note. The Trustee shall maintain such books, records and accounts as may be necessary to evidence the indebtedness of the Authority resulting from the Master Note held by EFC and each Advice delivered by the Trustee, the principal amounts owing thereunder, the maturity schedule therefor, the respective rates of interest thereon and the principal and interest paid from time to time thereunder. In any legal action or proceeding in respect of the Master Note, the entries made in such books, records or accounts shall be, absent manifest error, conclusive evidence of the existence and the amounts of the obligations of the Authority therein recorded.

SECTION 3.07 Legends. The Notes may contain, or have endorsed thereon, such provisions, specifications and descriptive words not inconsistent herewith, as may be necessary or desirable and as may be determined by an Authorized Representative of the Authority prior to their delivery to EFC.

SECTION 3.08 Execution and Authentication. The Notes shall be executed in the name of the Authority by the manual or facsimile signature of its Chief Executive Officer, Executive Director or other Authorized Representative and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced, and attested by the manual or facsimile signature of the Secretary, Assistant Secretary or other Authorized Representative of the Authority, or in such other manner as may be permitted by law. In case any one or more of the officers or employees who shall have signed or sealed any of the Notes shall cease to be such officer or employee before the Notes so signed and sealed shall have been actually authenticated and delivered by the Trustee, such Notes may, nevertheless, be delivered as provided herein, and may be issued as if the persons who signed or sealed such Notes had not ceased to hold such offices or be so employed. Any Note may be signed and sealed on behalf of the Authority by such persons as at the actual time of the execution of such Note shall be duly authorized or hold the proper office in or be employed by, the Authority, although at the date of the Notes such persons may not have been so authorized or have held such office or employment.

The Notes shall bear thereon a certificate of authentication executed by the Trustee manually or by its facsimile signature. Only such Notes as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution and no Note shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Note executed on behalf of the Authority shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered under the Resolution and that EFC is entitled to the benefits hereof.

ARTICLE IV.

REDEMPTION OF NOTES; PRINCIPAL FORGIVENESS

SECTION 4.01 Mandatory Redemption. The Notes then Outstanding shall be redeemed by the Authority at any time, in whole or in part, at the redemption price equal to 100% of the principal amount of Notes Outstanding at the time of redemption plus accrued interest, if any (the "Redemption Price"), in accordance with the terms thereof and the provisions of the next succeeding paragraph. On or prior to the date of redemption set forth in a Corporation Conversion Notice (as defined in the Project Finance Agreement), the Authority shall pay to EFC the Redemption Price of the Notes being redeemed.

The Notes shall be redeemed by the Authority, in whole or in part, prior to maturity, pursuant to and in accordance with this Section 4.01, on the date set forth in a Corporation Conversion Notice. The redemption date set forth in such Corporation Conversion Notice shall be not less than ninety (90) days from the date of the Corporation Conversion Notice.

SECTION 4.02 Optional Redemption. The Authority, at any time, may redeem the outstanding Notes, in whole or in part, at the Redemption Price, upon compliance with the following conditions:

- (1) The Authority shall deliver a written notice to EFC, at least ten days prior to the date of redemption, indicating that the Authority desires to redeem all or a specified amount of the Notes outstanding, and specifying the date of redemption; and
- (2) On or prior to the date of redemption, the Authority shall pay to EFC the Redemption Price of the Notes being redeemed.

Unless the Authority and EFC otherwise agree, any partial redemption payment shall be applied to the redemption of Advances in the order in which they were made, and EFC shall note such redemption on the grid attached to the appropriate Notes. Unless EFC otherwise agrees, not more than one partial redemption of Notes shall be made per month.

ARTICLE V.

PLEDGE OF RESOLUTION; FUNDS AND ACCOUNTS; APPLICATION THEREOF

SECTION 5.01 Pledge of Resolution. Subject to the limitations of the General Resolution and the Second General Resolution, and to the rights of the holders of Bonds and General Resolution Bonds, the Authority hereby pledges to EFC (i) as security for the payment of the interest on the Notes, the Revenues of the System and the moneys and investments from time to time on

deposit in the FGR Subordinated Indebtedness Fund, the Funds and Accounts and the funds and accounts established hereby; **provided, however,** that the pledge of the Revenues and the moneys and investments from time to time on deposit in the FGR Subordinated Indebtedness Fund shall be subject and subordinate to the pledge thereof made by the General Resolution for the benefit of the holders of General Resolution Bonds issued and outstanding at any time; (ii) as security for the payment of the principal of the Notes, the moneys and investments from time to time on deposit in the funds and accounts established hereby; and (iii) as security for payment of the principal of and interest on the Notes, the proceeds of the Bonds or General Resolution Bonds issued for the purpose of paying or providing for the payment of Outstanding Notes.

Subject to the limitations of the General Resolution and the Second General Resolution, including the limitations contained in Section 209(c) of the Second General Resolution, and to the rights of the holders of Bonds and General Resolution Bonds, the Authority hereby pledges to EFC the moneys and investments from time to time on deposit in the FGR Subordinated Indebtedness Fund, the Debt Service Fund and the funds and accounts established hereby; **provided, however,** that the pledge of the moneys and investments from time to time on deposit in the FGR Subordinated Indebtedness Fund shall be subject and subordinate to the pledge thereof made by the General Resolution for the benefit of the holders of General Resolution Bonds issued and outstanding at any time; and the proceeds of the Bonds or General Resolution Bonds issued for the purpose of paying or providing for the payment of said note or Outstanding Notes. Except as expressly provided herein, the pledges of the property pledged hereby for the benefit of EFC, and the liens thereon created thereby, are intended to be and shall be of equal rank with the pledges of such property and liens thereon made and created by the Second General Resolution.

The Act provides that (i) the pledges made hereby are valid, binding and perfected from the time when they are made and property so pledged shall immediately be subject to the lien of such pledges without any physical delivery thereof or further act, (ii) the lien of such pledges shall be valid, binding and perfected as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof and (iii) no instrument by which such pledges are created nor any financing statement need be recorded or filed. Based upon the foregoing, the Authority represents that under the laws of the State (i) the Resolution creates valid and binding pledges in favor of EFC, enforceable in accordance with the terms hereof, (ii) the pledges made hereby and each pledge made to secure obligations of the Authority which, by the terms hereof, are prior to or of equal rank with such pledge are and shall be prior to any judicial lien hereafter imposed on the property pledged hereby to enforce a judgment against the Authority on a simple contract and (iii) no instrument by which such pledges are created nor any financing statement need be recorded or filed in order to establish or maintain such priority. The Authority further represents that, other than as expressly provided in (a) this Section, (b) the Commercial Paper Note Resolution (Series One), adopted by the Authority on October 13, 1994, (c) the Extendable Municipal Commercial Paper Note Resolution (Series Seven), adopted March 17, 2003, (d) the Extendable Municipal Commercial Paper Note Resolution (Series Eight), adopted August 14, 2008, and (e) the Bond Anticipation Note Resolution Fiscal 2017 Series 1, adopted September 14, 2016, the Authority has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Revenues or any other property pledged hereby that is prior to or of equal rank with the pledge made hereby and neither the Revenues nor any other property pledged hereby has been described in any financing statement. Except as expressly permitted by Section 7.06 hereof, the Authority shall not hereafter make or suffer to exist any pledge or assignment of, lien on or security interest in the Revenues or other property pledged hereby that is prior to or of equal rank with the

pledge made hereby, or file any financing statement describing any such pledge, assignment, lien or security interest, except in connection with pledges, assignments, liens or security interests expressly permitted hereby.

The Notes shall be special obligations of the Authority payable solely from the moneys pledged to the payment thereof and the Authority shall not be obligated to pay the principal of or interest on the Notes from any moneys other than that pledged to such payment.

SECTION 5.02 Establishment of Funds and Accounts. The following funds and separate accounts within funds are hereby established and shall be held and maintained by the Trustee:

Proceeds Fund; and
Payment Fund.

All moneys at any time deposited in any fund or account created hereby shall be held in trust for the benefit of EFC, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided herein.

SECTION 5.03 Proceeds Fund. There shall be deposited into the Proceeds Fund Advances made under the Project Finance Agreement and the proceeds of the sale of the Notes and such amounts in the Proceeds Fund shall be applied immediately after receipt as follows and in the following order of priority:

First, transfer to the Payment Fund the amount necessary to pay or provide for the payment of principal of Notes maturing on the date such proceeds are received;

Second, transfer to EFC the amount necessary to pay or provide for the payment of any amount due and owing pursuant to the Project Finance Agreement;

Third, transfer in accordance with the written direction of an Authorized Representative of the Authority, the amount necessary to pay or provide for the payment of any of the Notes on their Maturity Dates, Bonds, General Resolution Bonds or Reimbursement Obligations; and

Fourth, transfer to the Construction Fund.

SECTION 5.04 Payment Fund. There shall be deposited in the Payment Fund amounts transferred from the Proceeds Fund and such other amounts as the Authority may elect to deposit in the Payment Fund. Amounts in the Payment Fund are to be used solely to pay the principal of and interest on the Notes and shall be held by the Trustee in trust for such purpose.

SECTION 5.05 Advances Under the Project Finance Agreement. All Advances under the Project Finance Agreement shall be made pursuant to Section 4.4 of the Project Finance Agreement.

ARTICLE VI.

INVESTMENT OF FUNDS

SECTION 6.01 Investment of Funds and Accounts. Any moneys held in the Proceeds Fund after the payments required by subparagraphs First through Third of Section 5.03 hereof have been made shall, if permitted by law, as nearly as may be practicable, be invested, upon direction of the Authority given or confirmed in writing, signed by an Authorized Representative of the Authority (which direction shall specify the amount thereof to be so invested), in Permitted Investments; **provided, however,** that each such investment shall permit the moneys so deposited or invested to be available for use at the times at which the Authority reasonably believes such moneys will be required for the purposes hereof.

Obligations purchased or other investments made as an investment of moneys in the Proceeds Fund shall be deemed at all times to be a part of such Fund and the income or interest earned, profits realized or losses suffered by the Fund due to the investment thereof shall be retained in, credited or charged, as the case may be, to such Fund.

In computing the amount in the Proceeds Fund, obligations purchased as an investment of moneys therein or held therein shall be valued at par or the cost thereof, plus accrued interest, whichever is lower.

SECTION 6.02 Liability for Investments. Neither the Authority nor the Trustee shall have any liability arising out of or in connection with the making of any investment authorized by the provisions of this Article VI, in the manner provided in this Article VI, for any depreciation in value of any obligation, or for any loss, direct or indirect, resulting from any investment.

ARTICLE VII.

PARTICULAR COVENANTS

The Authority covenants and agrees with EFC as follows:

SECTION 7.01 Payment of Principal and Interest. The Authority shall pay or cause to be paid the principal of and interest on every Note on its respective Maturity Date, at the places and in the manner provided in the Notes, in accordance with this Resolution and the Project Finance Agreement, according to the true intent and meaning thereof.

SECTION 7.02 Extension of Payment of Notes. Other than as provided in the Project Finance Agreement, the Authority shall not extend or assent to the extension of the maturity of any of the Notes, or the time of any claim for interest and, in case the maturity of any of such Notes or the time for payment of any claims for interest shall be extended, such Notes or claims for interest shall not be entitled, in case of any default hereunder, to the benefit hereof or to any payment out of any assets of the Authority or the funds (except funds held in trust for the payment of particular Notes or claims for interest pursuant hereto), except subject to the prior payment of the principal of all Outstanding Notes the maturity of which has not been extended and of such portion of the interest on such Notes as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Authority to issue notes or bonds to refund Outstanding Notes as

permitted hereby and by the Act and such issuance shall not be deemed to constitute an extension of the maturity of the Notes refunded.

SECTION 7.03 Powers as to Notes and Pledge. The Authority is duly authorized under the Act and all applicable laws to create and issue the Notes, to adopt the Resolution and to make the pledges made hereby in the manner and to the extent provided herein and therein. Except as set forth in Section 5.01 hereof, the Authority represents that the property pledged hereby is free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto, prior to the pledges made hereby. The Authority represents and further covenants that the Notes and the provisions hereof are and shall be the valid and legally enforceable special obligations of the Authority in accordance with their terms and the terms hereof. The Authority further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect the pledge made hereby and all of the rights of EFC under the Resolution against all claims and demands of all persons whomsoever.

SECTION 7.04 Further Assurance. The Authority, at any and all times, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, moneys, securities and accounts hereby pledged or assigned, or intended so to be, or which the Authority may hereafter become bound to pledge or assign.

SECTION 7.05 Accounts and Audits. The Authority shall keep proper books of records and accounts (separate from all other records and accounts), which may be kept on behalf of the Authority by the Trustee in which complete and correct entries shall be made of its transactions relating to the Notes, which books and accounts, at reasonable hours and subject to the reasonable rules and regulations of the Authority, shall be subject to the inspection of EFC.

SECTION 7.06 Creation of Liens. The Authority shall not create or cause to be created any lien or charge prior to or of equal rank with any lien or charge created hereby; **provided, however,** that nothing contained herein shall prevent the Authority from issuing (i) General Resolution Bonds which shall have a charge or lien upon the Revenues and the moneys and investments from time to time on deposit in the FGR Subordinated Indebtedness Fund prior to the charge or lien thereon created hereby or (ii) Bonds, Parity Bond Anticipation Notes or Parity Reimbursement Obligations which may have a charge or lien upon the Revenues and the moneys and investments from time to time on deposit in the FGR Subordinated Indebtedness Fund or the Debt Service Funds equal to the charge or lien thereon created hereby.

SECTION 7.07 Offices for Payment. The Authority shall at all times maintain an office or agency in The City of New York where Notes may be presented for payment. The Trustee is hereby appointed as its agent to maintain such office or agency for the payment of Notes. The provisions of this Section shall be subject to the provisions of Section 3.01 hereof.

SECTION 7.08 Limitation on Notes. The Authority shall not issue Notes if (i) the aggregate principal amount of Notes which would then be Outstanding would exceed four hundred fifty-four million two hundred seventy-five thousand seven hundred and thirty-four dollars (\$454,275,734) or (ii) the Maturity Date of the Notes would extend beyond five years from the date of each applicable Advance.

SECTION 7.09 Agreement of the State. In accordance with Section 1045-t of the Act, the Authority agrees, for and on behalf of the State, that the State will not alter or limit the rights vested by the Act in the Authority or the Board to fulfill the terms of any agreement made with or for the benefit of EFC, or in any way impair the rights and remedies of EFC, until the Notes, together with the interest thereon, with interest on any unpaid installment of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of EFC, are fully met and discharged.

SECTION 7.10 General. The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions hereof in accordance with the terms of such provisions.

Upon the date of issuance of Notes, all conditions, acts and things required by the statutes of the State and hereby to exist, to have happened and to have been performed precedent to and in the issuance of such Notes, shall exist, have happened and have been performed and the issuance of such Notes, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by the laws of the State.

ARTICLE VIII.

CONCERNING THE TRUSTEE

SECTION 8.01 Appointment and Acceptance of Trustee. U.S. Bank Trust Company, National Association, is hereby appointed Trustee. The Trustee shall have such duties as are imposed upon it hereby. The Trustee shall signify its acceptance of the duties and obligations of Trustee imposed upon it hereby.

SECTION 8.02 Resignation or Removal of Trustee. The Trustee, or any successor thereof, may at any time resign or be removed by the Authority; **provided, however**, that no such resignation or removal shall take effect until a successor Trustee has been appointed.

SECTION 8.03 Successor Trustee. In case the Trustee, or any successor thereof, shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the Authority shall forthwith appoint a successor Trustee. Copies of any resolution of the Authority providing for any such appointment shall be delivered by the Authority to the successor Trustee so appointed and the predecessor Trustee. Any successor appointed under the provisions of this Section shall be a bank located in the State having trust powers or a trust company organized under the laws of the State or national banking association located in the State having a capital and surplus aggregating at least \$200,000,000, if there be such a bank having trust powers or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms and authorized by law to perform all the duties required hereby.

SECTION 8.04 Transfer of Rights and Property to Trustee. The Trustee then ceasing to act shall, on request by the Authority or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of such Trustee in and to any property held by it hereunder, and shall pay over,

assign and deliver to such successor any moneys, funds or accounts, or other properties held by it as Trustee. Should any deed, conveyance or instrument in writing from the Authority be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority.

SECTION 8.05 Merger or Consolidation. The Trustee may sell or transfer all or substantially all of its corporate trust business to any company into which the Trustee may be merged or with which it may be consolidated or any company resulting from any merger or consolidation to which it shall be a party; **provided, however,** that such company shall be a bank having trust powers or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 8.03 hereof, shall be the successor to such Trustee, with the prior written consent of the Authority, but without any further act, deed or conveyance.

ARTICLE IX.

SUPPLEMENTAL RESOLUTIONS

SECTION 9.01 Modification and Amendment Without Consent. Notwithstanding any other provisions of this Article IX or Article X hereof, the Authority may adopt at any time or from time to time Supplemental Resolutions for any one or more of the following purposes, and any such Supplemental Resolution shall become effective in accordance with its terms:

(a) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Notes, provided that such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained herein;

(b) To prescribe further limitations and restrictions upon the issuance of Notes and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(c) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms hereof, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained herein;

(d) To confirm, as further assurance, any pledge under, and the subjection to any lien, claim or pledge created or to be created by the provisions of, this Resolution, of any moneys, securities or funds;

(e) To modify any of the provisions hereof in any other respects, provided that such modifications shall not be effective until after all Notes Outstanding as of the date of adoption of such Supplemental Resolution shall cease to be Outstanding, and all Notes issued after the date of adoption of such Supplemental Resolution shall contain a specific reference to the modifications contained in such subsequent Supplemental Resolutions;

(f) To modify, waive or repeal any of the limitations upon the issuance of Notes contained in Section 2.03 hereof, or to modify the provisions of Sections 2.01 and 7.08 hereof regarding an increase in the aggregate principal amount of Notes which may be Outstanding at any time; **provided, however**, that such modification shall not adversely affect the interests of EFC;

(g) To provide for the issuance of the Notes as book-entry only Notes utilizing systems and procedures therefor of the Depository or the nominee thereof in whose name the Notes are to be registered or to discontinue the issuance of Notes in such form and to issue the Notes in fully certificated form; or

(h) To cure any ambiguity or defect or inconsistent provision herein or to insert such provisions clarifying matters or questions arising hereunder as are necessary or desirable, provided that any such modifications are not contrary to or inconsistent herewith as theretofore in effect, or to modify any of the provisions hereof or of any previously adopted Supplemental Resolution in any other respect, provided that such modification shall not adversely affect the interests of EFC in any material respect.

SECTION 9.02 Supplemental Resolutions Effective With Consent of EFC. The provisions hereof may also be modified or amended at any time or from time to time by a Supplemental Resolution, subject to the consent of EFC in accordance with and subject to the provisions of Article X hereof, such Supplemental Resolution to become effective upon the filing in the office of the Trustee of a copy thereof certified by an Authorized Representative of the Authority.

SECTION 9.03 General Provisions Relating to Supplemental Resolutions. The Resolution shall not be modified or amended in any respect except in accordance with and subject to the provisions of this Article IX and Article X hereof. Nothing contained in this Article IX or Article X hereof shall affect or limit the rights or obligations of the Authority to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of Section 7.04 hereof or the right or obligation of the Authority to execute and deliver to the Trustee any instrument elsewhere herein provided or permitted to be delivered to the Trustee.

A copy of every Supplemental Resolution adopted by the Authority, when filed in the office of the Trustee, shall be accompanied by an opinion of Bond Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions hereof, is authorized or permitted hereby and is valid and binding upon the Authority and enforceable in accordance with its terms. Notice of the adoption of every Supplemental Resolution adopted by the Authority to which the consent of EFC is not required by this Article IX or by Article X hereof shall be given, together with a copy of each such Supplemental Resolution, to EFC promptly after the adoption thereof.

No Supplemental Resolution changing, amending or modifying any of the rights or obligations of the Trustee, shall become effective without the written consent of the Trustee.

ARTICLE X.

AMENDMENTS OF RESOLUTION

SECTION 10.01 Powers of Amendment. Any modification or amendment hereof, and of the rights and obligations of the Authority and of EFC hereunder, may be made by a Supplemental Resolution, with the written consent of EFC and an opinion of Bond Counsel stating that such

Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions hereof, is authorized or permitted hereby, and is valid and binding upon the Authority and enforceable in accordance with its term.

SECTION 10.02 Exclusion of Notes. Notes owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action provided for herein, and the Authority shall not be entitled with respect to such Notes to give any consent or take any other action provided for herein.

ARTICLE XI.

DEFAULTS AND REMEDIES

SECTION 11.01 Events of Default. An event of default shall exist hereunder (herein called “event of default”) if:

(a) Payment of the principal of or an installment of interest on any Note shall not be made by the Authority when the same shall become due and payable, either at maturity or otherwise; or

(b) The Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained herein or in the Notes on the part of the Authority to be performed and such default shall continue for forty-five (45) days after written notice specifying such default and requiring same to be remedied shall have been given to the Authority by EFC; or

(c) An “event of default” within the meaning of the General Resolution, the Second General Resolution or any agreement or instrument providing for the issuance of any Parity Bond Anticipation Note or Parity Reimbursement Obligation within the meaning of the General Resolution or the Second General Resolution shall have occurred and be continuing.

SECTION 11.02 Enforcement of Remedies. Upon the happening and continuance of any event of default specified in Section 11.01 hereof, then and in every such case, EFC shall be entitled to proceed to protect and enforce EFC’s rights by such appropriate judicial proceeding as EFC shall deem most effectual to protect and enforce any such right, either by suit in equity or by action in law, whether for specific performance of any covenant or agreement contained herein, or in aid of the exercise of any power granted hereby, or to enforce any other legal or equitable right vested in EFC hereby or by the Notes or by law; **provided, however**, that the principal of all Outstanding Notes and the interest accrued thereon may not be declared to be due and payable except upon the happening and continuance of an event of default specified in Section 11.01(a) hereof. Except as limited by this Article XI, EFC shall have such remedies as may be provided by law, including, specifically, by Section 1045-p of the Act.

SECTION 11.03 Remedies not Exclusive. No remedy herein conferred upon or reserved to EFC is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 11.04 Priority of Payments After Default. If at any time the moneys held hereunder shall not be sufficient to pay the principal of and interest on the Notes as the same become due and payable (either by their terms or by acceleration of maturity under the provisions of the Act), such moneys together with any moneys then available or thereafter becoming available for such purpose, whether through exercise of the remedies provided for in the Act or otherwise, shall, subject to the provisions of Section 13.03 hereof, be applied as follows:

(a) Unless the principal of all the Notes shall have become or has been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons entitled thereto of interest then due in the order such interest is due, and, if the amount available shall not be sufficient to pay in full the interest then due, then to the payment thereof ratably, according to the amounts due, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Notes which shall have become due at maturity in the order of their Maturity Dates and, if the amount available shall not be sufficient to pay in full all Notes due on any Maturity Date, then to the payment thereof ratably, according to the amount of principal due on such Maturity Date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Notes shall have become or been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Notes without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Note over any other Note, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference except as to the difference in the respective rates of interest specified in the Notes.

ARTICLE XII.

DEFEASANCE

SECTION 12.01 Defeasance. (a) If the Authority shall pay or cause to be paid to EFC the principal of and interest thereon, at the times and in the manner stipulated therein and herein, then the pledge made hereby and all other rights granted hereby to such Notes and the covenants, agreements, and other obligations of the Authority shall cease, terminate and become void and be discharged and satisfied with respect to the Notes and EFC. In such event, all moneys or investment securities held by it pursuant to this Resolution which are not required for the payment of the Notes shall be paid or delivered by the Trustee as follows: first, to EFC, the amount, if any, certified by EFC to be remaining due or past due in respect of any Reimbursement Obligations under the Project Finance Agreement and second, the balance, if any, thereof to the Authority. If the Authority shall pay all Reimbursement Obligations incurred by the Authority under the Project Finance Agreement, then the pledge made hereby and all other rights granted hereby to EFC and the covenants, agreements and other rights of or obligations of the Authority to EFC hereunder shall cease, terminate and become void and be discharged and satisfied. In the event of any discharge and satisfaction provided for in

this Section 12.01(a), the Trustee shall, upon request of the Authority, execute and deliver such documents to evidence satisfaction as may be reasonably required by the Authority.

(b) Notes for the payment of which moneys shall have been set aside and shall be held in trust (through deposit of moneys or Defeasance Securities for such payment with a bank or trust company having a capital and surplus of not less than \$200,000,000, to be held in a separate account irrevocably in trust for EFC) shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section. Notes shall, prior to the maturity date thereof, be deemed to have been paid within the meaning and with the effect expressed in Section 12.01(a) hereof if there shall have been deposited in trust (through deposit of moneys or Defeasance Securities for such payment with a bank or trust company having a capital and surplus of not less than \$200,000,000, to be held in a separate account irrevocably in trust for EFC) either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any, deposited in trust at the same time, shall be sufficient, to pay when due the principal and interest due and to become due on said Notes on and prior to the maturity date thereof. Neither the Defeasance Securities nor the moneys deposited in trust pursuant to this Section 12.01(b) nor the principal or interest payments on such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Notes; **provided, however**, that any moneys not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal and interest to become due on the Notes on and prior to the maturity date thereof. Any income or interest earned by, or increment to, the investment of any such moneys so deposited, shall, to the extent in excess of the amounts required hereinabove to pay the principal and interest on the Notes, as realized, be paid as follows: first, to EFC, the amount, if any, certified by EFC to be remaining due or past due in respect of any Reimbursement Obligation under the Project Finance Agreement, and, then, the balance thereof to the Authority, and any such moneys shall be released from any trust, pledge, lien, encumbrance or security interest created hereby.

ARTICLE XIII.

MISCELLANEOUS

SECTION 13.01 Further Authority. Each Authorized Representative of the Authority is hereby authorized to execute and deliver such documents, agreements, instruments and certifications as may be necessary to give effect to this Resolution.

SECTION 13.02 Preservation and Inspection of Documents. All documents received by the Trustee from the Authority or by the Authority or the Trustee from EFC under the provisions hereof shall be retained in their possession until no Notes remain Outstanding and, at all reasonable times and with reasonable notice to the Authority, shall be subject to inspection by EFC who may make copies thereof.

SECTION 13.03 Moneys and Funds Held for Particular Notes. The amounts held by the Trustee for the payment of the principal of and interest on the Notes due on any date with respect to particular Notes shall, pending such payment, be set aside and held in trust by it for EFC, and for the purposes hereof such principal of and interest on such Notes, due after such date thereof, shall no longer be considered to be unpaid.

SECTION 13.04 Cancellation of Notes. The Authority shall forthwith have cancelled all Notes which have been paid by it. No such Notes shall be deemed Outstanding Notes hereunder and no Notes shall be issued in lieu thereof.

SECTION 13.05 No Recourse under Resolution or on the Notes. All covenants, stipulations, promises, agreements, representations and obligations of the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements, representations and obligations of the Authority and not of any member, officer or employee of the Authority in his individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Notes or for any claims based thereon or hereon against any member, officer or employee of the Authority or any person executing the Notes, all such liability, if any, being expressly waived and released by EFC by the acceptance of the Notes.

SECTION 13.06 Severability of Invalid Provision. If any one or more of the covenants, stipulations, promises, agreements and obligations provided herein on the part of the Authority or the Trustee to be performed should be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, agreement or agreements or obligation or obligations shall be null and void, shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions hereof or of the Notes.

SECTION 13.07 Parties of Interest. Nothing herein, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or party other than the Authority and EFC any rights, remedies or claims hereunder or by reason hereof or any covenant, condition or stipulation thereof. All covenants, stipulations, promises and agreements herein contained by or on behalf of the Authority shall be for the sole and exclusive benefit of the Authority and EFC.

SECTION 13.08 Notices. Except as otherwise provided herein, any notices, directions or other instruments required to be given or delivered pursuant hereto shall be in writing and shall be delivered by hand against the written receipt therefor or sent by registered or certified mail addressed: in the case of the Authority, to it to the attention of the Authority's Executive Director, at 255 Greenwich Street, 6th Floor, New York, New York 10007, with a copy to the City's Law Department, to the attention of the Chief, Municipal Finance Division, at 100 Church Street, 6th Floor, New York, New York 10007; in the case of the Trustee, at 100 Wall Street, Suite 600, New York, New York 10005; in the case of EFC, at the address set forth in the Project Finance Agreement; or, in each case, to such other individual and at such other address as the person to be notified shall have specified by notice to the other persons.

SECTION 13.09 Other Resolutions. The Authority expressly reserves the right to adopt one or more other resolutions and to issue bonds, notes and other obligations thereunder without compliance with the provisions hereof.

SECTION 13.10 Headings. Any headings preceding the text of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part hereof nor shall they affect its meaning, construction or effect.

SECTION 13.11 Governing Laws. The Resolution shall be governed by and construed in accordance with the laws of the State.

SECTION 13.12 Authorized Representative of the City. Pursuant to Section 206(g) of the Second General Resolution, the Director of Management and Budget, or his or her designee, shall constitute an Authorized Representative of the City for the purpose of rendering the Certificate referred to in such Section.

SECTION 13.13 Changes to this Resolution. The Chief Executive Officer, the Executive Director, the Treasurer or the Deputy Treasurer is authorized to make such insertions, deletions and other changes to this Resolution as may be deemed necessary and convenient; **provided, however,** that no such changes may be made after this Resolution has been filed with the Trustee.

[Remainder of page intentionally left blank]

As required by Section 1045-o(3) of the Act, the Mayor of The City of New York and the Comptroller of The City of New York, do hereby approve this Resolution and as required by Section 1045-o(3) of the Act, the Mayor of The City of New York and the Comptroller of The City of New York, do hereby recommend that the Authority issue from time to time its Notes at the price or prices, interest rate or rates, and maturities as Authorized Representatives of the Authority shall determine, subject to the terms, conditions and limitations pertaining thereto contained in this Resolution. This Resolution shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy hereof.

Recommended and Approved:

**THE MAYOR OF THE CITY
OF NEW YORK**

APPROVED AS TO FORM

By: _____
Deputy Director of Financing Policy
and Coordination for the Office of
Management and Budget,
as authorized representative

By: _____
Acting Corporation Counsel

**THE COMPTROLLER OF THE CITY
OF NEW YORK**

By: _____
Deputy Comptroller for Public Finance,
as authorized representative

[FORM OF MASTER NOTE]

No. BAN-2025-1

**UNITED STATES OF AMERICA
STATE OF NEW YORK**

NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY

BOND ANTICIPATION MASTER NOTE

FISCAL 2025 SERIES 1

REGISTERED OWNER: NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION

MAXIMUM PRINCIPAL SUM: FOUR HUNDRED FIFTY-FOUR MILLION TWO HUNDRED SEVENTY-FIVE THOUSAND SEVEN HUNDRED AND THIRTY-FOUR AND 00/100 DOLLARS (\$454,275,734.00)

INTEREST RATE: []% PER ANNUM, but subject to change upon the terms and conditions set forth in the Project Finance Agreement referred to below.

DATED DATE: November [], 2024

MATURITY DATE: November [], 20[]

The NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY (the “Authority”), a body corporate and politic constituting a public benefit corporation created and existing under and by virtue of the New York City Municipal Water Finance Authority Act, as amended (the “Act”), constituting Title 2A of Article 5 of the Public Authorities Law of the State of New York, hereby acknowledges itself indebted and for value received promises to pay to the Registered Owner named above, the lesser of (x) the Maximum Principal Sum set forth above and (y) the unpaid principal amount of all advances (the “Advances”) made by or on behalf of New York State Environmental Facilities Corporation (“EFC”) to the Authority pursuant to Article IV of the Project Finance Agreement dated as of November [], 2024 (the “Project Finance Agreement”), among EFC, The City of New York (the “City”) and the Authority (the lesser of such amounts being hereinafter referred to as the “Unpaid Principal Sum”), plus any and all interest then accrued (which interest shall accrue beginning on the dates of the Advances), late fees and other fees and expenses then due, such amount to be paid on the Maturity Date stated above or upon such later date as may be established pursuant to the Project Finance Agreement. All Advances made by or on behalf of EFC to the Authority pursuant to the Project Finance Agreement, and all prepayments made on account of the Unpaid Principal Sum hereof, interest, fees and other charges shall be recorded by or on behalf of EFC and endorsed on the grid(s) attached hereto in accordance with the terms of the Project Finance Agreement, which is hereby made a part hereof. Recordation of Advances, confirmed by a certificate of the Authority given in accordance with the Project Finance Agreement, shall conclusively establish the principal amount outstanding hereunder. Interest, if any, shall accrue on said Unpaid Principal Sum (beginning on the dates of the Advances) and is payable semi-annually on June 15 and December 15 until maturity and the principal payment is due on the Maturity Date stated above or upon such

later date as may be established pursuant to the Project Finance Agreement. In the event of any default in the payment of said Unpaid Principal Sum on the earlier of the Maturity Date stated above (or upon such later date as may be established pursuant to the Project Finance Agreement) or the date of earlier redemption, the Authority promises to pay interest on said Unpaid Principal Sum to the Registered Owner named above at the rate set forth in the Project Finance Agreement. Principal of and interest, if any, on this Note shall be payable to the Registered Owner hereof, at its address set forth on the books of EFC maintained for registration of this Note. For so long as EFC is the registered owner of this Note, EFC may, by written instruction to the Authority, direct the Authority to pay any principal of and interest, if any, on this Note to any bank acting as custodian of EFC. Both principal of and interest, if any, on this Note will be paid, without presentment, in funds available on or before the due date and in any lawful coin or currency of the United States of America which at the date of payment is legal tender for the payment of public and private debts. Terms used and not otherwise defined herein shall have the respective meanings set forth in the Note Resolution (defined below) and the Project Finance Agreement.

This Note is issued under the authority of and pursuant to and in full compliance with the Act and the bond anticipation note resolution adopted by the Authority on October [___], 2024 (the “Note Resolution”), authorizing the issuance of the Bond Anticipation Notes, Fiscal 2025 Series 1 (the “Notes”).

This Note shall not in any manner or to any extent constitute or be a charge upon any moneys or property of the Authority not specifically pledged thereto by the Note Resolution.

The Authority has no taxing power and its obligations are not debts of the State of New York or of any political subdivision of the State of New York, or of the United States of America. This Note will not constitute a pledge of the faith and credit of the State of New York or of any political subdivision thereof nor shall the Note be payable out of funds or properties other than those of the Authority set forth in the Note Resolution. The issuance of this Note will not obligate the State of New York or any of its political subdivisions or the United States of America to levy or pledge the receipts from any form of taxation for the payment of this Note.

This Note shall be transferable or exchangeable, solely in accordance with the terms of the Project Finance Agreement.

This Note may be called for redemption in whole or in part by the Authority, at a redemption price equal to 100% of the principal amount outstanding, plus any accrued interest, on any date prior to maturity after the giving of at least ten (10) days written notice of the date of redemption by delivery of written notice to the Registered Owner.

This Note shall be subject to mandatory redemption, in whole or in part, prior to maturity, pursuant to and in accordance with Article IV of the Note Resolution and Section 4.3(a) of the Project Finance Agreement, on the date set forth in a Corporation Conversion Notice. The redemption date set forth in such Corporation Conversion Notice shall be not less than one hundred twenty (120) days from the date of the Corporation Conversion Notice. Any partial redemption shall be subject to and applied in accordance with Section 4.3 of the Project Finance Agreement.

This Note shall not be entitled to any benefit under the Note Resolution or become valid or obligatory for any purpose until it shall have been authenticated by the Trustee by its execution of the certificate of authentication endorsed hereon.

It is hereby certified and recited that all conditions, acts and things required by the Act to exist, and the Note Resolution to have happened, to exist, and to have been performed precedent to and in the issuance of this Note, do exist, have happened and have been performed in regular and due time, form and manner as required by said Act and resolutions, and that this Note, together with all other indebtedness of such Authority, is within every debt and other limit prescribed by the Act and does not exceed any constitutional, statutory or charter limitation of indebtedness; and that provision has been made for the payment of the principal of and interest on this Note as provided in the Note Resolution.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Authority has caused this Note to be executed by its Executive Director by manual signature or a facsimile thereof, and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved, or otherwise reproduced hereon and attested by its Secretary and this Note to be dated as of the Dated Date set forth above.

NEW YORK CITY MUNICIPAL WATER FINANCE
AUTHORITY

(SEAL)

By: FORM / DO NOT SIGN
Name: Philip Wasserman
Title: Executive Director

ATTEST:

By: FORM / DO NOT SIGN
Name: Jeffrey M. Werner
Title: Secretary

CERTIFICATE OF AUTHENTICATION

It is hereby certified that this Note is one of the duly authorized issue of notes referred to in the Note Resolution and described on the reverse side hereof.

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

By: _____
Authorized Signature

ASSIGNMENT

FOR VALUE RECEIVED, the Undersigned hereby sells, assigns and transfers unto

Please insert Social Security or other identifying number of Assignee(s):

the within note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the within note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

Note Number: BAN-2025-1
Maximum Principal Sum: \$454,275,734
Interest Rate: []%

Maturity Date: November [], 20[]
Recipient: NYCMWFA
SRF Project Nos.: See Exhibit A
Notation by: _____

(a) **ADVANCES AND PAYMENTS OF PRINCIPAL***

Date	Requisition No.	Amount of Advance	Amount of Principal Paid	Unpaid Principal Sum	Notation Made By

* This grid may be extended if the number of Advances, payments and extensions so require.

Note Number: BAN-2025-1
Maximum Principal Sum: \$454,275,734
Interest Rate: []%

Maturity Date: November [], 20[]
Recipient: NYCMWFA
SRF Project Nos.: See Exhibit A
Notation by: _____

INTEREST RATES AND PAYMENTS

Date Advanced	Principal Amount Advanced	Interest Rate	Amount of Interest	Interest Amount Paid	Notation Made By

* This grid may be extended if the number of Advances, payments and extensions so require.

Note Number: BAN-2025-1
Maximum Principal Sum: \$454,275,734
Interest Rate: []%

Maturity Date: November [], 20[]
Recipient: NYCMWFA
SRF Project Nos.: See Exhibit A
Notation by: _____

(b) ADVANCES AND PAYMENTS OF PRINCIPAL*

Date	Requisition No.	Amount of Advance	Amount of Principal Paid	Unpaid Principal Sum	Notation Made By

* This grid may be extended if the number of Advances, payments and extensions so require.

Note Number: BAN-2025-1
Maximum Principal Sum: \$454,275,734
Interest Rate: []%

Maturity Date: November [], 20[]
Recipient: NYCMWFA
SRF Project Nos.: See Exhibit A
Notation by: _____

INTEREST RATES AND PAYMENTS

Date Advanced	Principal Amount Advanced	Interest Rate	Amount of Interest	Interest Amount Paid	Notation Made By

* This grid may be extended if the number of Advances, payments and extensions so require.

Note Number: BAN-2025-1
Maximum Principal Sum: \$454,275,734
Interest Rate: []%

Maturity Date: November [], 20[]
Recipient: NYCMWFA
SRF Project Nos.: See Exhibit A
Notation by: _____

(c) ADVANCES AND PAYMENTS OF PRINCIPAL*

Date	Requisition No.	Amount of Advance	Amount of Principal Paid	Unpaid Principal Sum	Notation Made By

* This grid may be extended if the number of Advances, payments and extensions so require.

Note Number: BAN-2025-1
Maximum Principal Sum: \$454,275,734
Interest Rate: []%

Maturity Date: November [], 20[]
Recipient: NYCMWFA
SRF Project Nos.: See Exhibit A
Notation by: _____

INTEREST RATES AND PAYMENTS

Date Advanced	Principal Amount Advanced	Interest Rate	Amount of Interest	Interest Amount Paid	Notation Made By

* This grid may be extended if the number of Advances, payments and extensions so require.

SECRETARY’S CERTIFICATE

I, the Secretary of the New York City Municipal Water Finance Authority, **DO HEREBY CERTIFY** that the annexed Bond Anticipation Note Resolution was duly adopted at a meeting of the Authority duly called and held on October [__], 2024, at which a quorum was present and acting, and that said Bond Anticipation Note Resolution has not been amended or repealed and is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Authority this [__]th day of November, 2024.

**NEW YORK CITY MUNICIPAL
WATER FINANCE AUTHORITY**

[SEAL]

By: _____
Name: Jeffrey M. Werner
Title: Secretary

U.S. Bank Trust Company, National Association, the Trustee under the New York City Municipal Water Finance Authority Bond Anticipation Note Resolution, hereby acknowledges the receipt and filing of a certified copy of the foregoing New York City Municipal Water Finance Authority Bond Anticipation Note Resolution.

IN WITNESS WHEREOF, I have set my hand this [__]th day of November, 2024.

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION**

By: _____
Name: Deborah Todak
Title: Vice President