

ITEM NO. 16-1

SERIES 2024 BOND ANTICIPATION NOTE RESOLUTION

EXTRACT OF MINUTES
Meeting of the Buffalo Sewer Authority
of the City of Buffalo, County of Erie, New York
December 4, 2024

A regular meeting of the Buffalo Sewer Authority of the City of Buffalo, in the County of Erie, New York, was held at the Bird Island Treatment Facility, 90 West Ferry Street, Buffalo, New York, on December 4, 2024, at 9:00 o'clock A.M. (Prevailing Time).

There were present:

Members:

There were absent:

Also present:

The adoption of the Series 2024 Bond Anticipation Note Resolution with respect to the Breckenridge Street Combined Sewer Overflow Project was moved by Member _____, seconded by Member _____, and duly put to a vote on roll call, which resulted as follows:

AYES:

NOES:

Board Meeting of December 4, 2024

BUFFALO SEWER AUTHORITY
SERIES 2024 BOND ANTICIPATION NOTE

NOTE RESOLUTION

Adopted: December 4, 2024

BUFFALO SEWER AUTHORITY
SERIES 2024 BOND ANTICIPATION NOTE
RESOLUTION

WHEREAS, the Buffalo Sewer Authority (the “Authority”), a body corporate and politic constituting a public benefit corporation organized and existing under the laws of the State of New York, owns and operates sewerage and stormwater drainage facilities within the environs of the City of Buffalo, New York (the “City”); and

WHEREAS, the Authority has determined to undertake certain improvements to the sewer system (as more fully defined below, the “Project”), to wit Breckenridge Street Combined Sewer Overflow; and

WHEREAS, the Authority proposes to issue notes hereunder pursuant to the Buffalo Sewer Authority Act, Title 8 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended (the “Act”), to provide for the temporary financing of the construction of the Project until such time as the Authority issues bonds to provide for the permanent financing of the Project; and

WHEREAS, the Authority is authorized by the Act to borrow money and issue notes, and to provide for the rights of the owners thereof; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE BUFFALO SEWER AUTHORITY AS FOLLOWS:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1 Short Title. This Note Resolution may hereafter be cited by the Authority as the “Series 2024 Bond Anticipation Note Resolution.”

Section 1.2 Definitions. In this Note Resolution the following terms shall have the following meanings unless the context otherwise requires:

“Account” shall mean one of the special accounts created and established pursuant to this Note Resolution.

“Act” shall mean the Buffalo Sewer Authority Act, Title 8 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended from time to time.

“Authority” shall mean the Buffalo Sewer Authority, a body corporate and politic constituting a public benefit corporation of the State of New York, and any body, board, authority,

agency, or political subdivision or instrumentality of the State which shall hereafter succeed to the powers, duties, and functions thereof.

“Authorized Officer” shall mean the Chairman, the Vice-Chairman, the Assistant Vice-Chairman, the Secretary, the Assistant Secretary, or the General Manager or other chief administrative officer of the Authority, and when used with reference to any act or certificate or other document, also means any person duly authorized to perform such act or sign such document.

“Capital Costs” shall mean and include all costs of acquisition, construction or completion of any part of the Sewer System, including Costs of Issuance of any Notes issued to provide funds to pay the cost thereof, the costs of any demolitions or relocations necessary in connection therewith and any extensions, renewals, replacements, equipment, alterations, improvements, additions, machinery and equipment, betterments, paving, grading, excavation, blasting or removals and of all or any property, rights, easements and franchises deemed by the Authority to be necessary or useful or convenient therefor and may include, to the extent properly attributable to such acquisition, construction and completion:

(a) obligations incurred for labor and materials and payments made to contractors, builders, and materialmen in connection with construction or acquisition of any part of the Sewer System, and for the restoration of property damaged or destroyed in connection with such construction;

(b) fees and expenses of the Paying Agent, payments, taxes, or other governmental charges lawfully levied or assessed during construction or on any property acquired, and premiums on insurance (if any) during such construction or acquisition;

(c) fees and expenses for studies, surveys and reports, engineering, borings, testings, estimates of costs and revenues, preparation of plans and specifications and inspecting or supervising construction or acquisition, as well as for the performance of all other duties of engineers or architects in connection with the acquisition, construction, extension, renewal or improvement of the Sewer System or required by this Note Resolution;

(d) expenses of administration properly chargeable to the acquisition, construction, reconstruction, renewal, extension, or improvement of the Sewer System, including legal expenses and fees, financing charges, costs of audits and fiscal advice and all other items of expense not elsewhere in this definition specified, incident to the acquisition, construction, reconstruction, renewal, extension or improvement of the Sewer System, including the acquisition of real estate, franchises and rights-of-way therefor, including abstracts of title insurance;

(e) the cost and expense of acquiring by purchase or condemnation or by leasing such property, lands, rights-of-way, franchises, easements, and other interest in land as may be deemed necessary or convenient for the acquisition, construction or completion of any part of the Sewer System and options and partial payments thereon, and the amount of any damages incident to or consequent upon the same; and

(f) any obligations or expense heretofore or hereafter expended or incurred by the Authority and any amounts heretofore or hereafter advanced by the Authority for any of the foregoing purposes.

“Capital Improvement Fund” shall mean the Capital Improvement Fund established pursuant to Section 502 of the Sewer System Revenue Bond Resolution.

“Certificate” shall mean a signed document attesting to or acknowledging the matters therein stated or setting forth matters to be determined pursuant to this Note Resolution.

“Certificate of Determination” shall mean a Certificate executed by the General Manager of the Authority pursuant to Section 2.8 hereof.

“City” shall mean the City of Buffalo, New York.

“Comptroller” shall mean, respectively, the Comptroller of the City.

“Construction Fund” shall mean the Construction Fund established pursuant to Section 502 of the Sewer System Revenue Bond Resolution.

“Costs of Issuance” shall mean all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of Notes, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Notes, costs and expenses of refunding, premiums for the insurance of the payment of the Notes and any other cost, charge or fee in connection with the original issuance of Notes.

“Debt Reserve Fund” shall mean the Debt Reserve Fund established pursuant to Section 502 of the Sewer System Revenue Bond Resolution.

“EFC” shall mean the New York State Environmental Facilities Corporation, a body corporate and politic constituting a public benefit corporation, established and existing under and by virtue of the laws of the State of New York.

“Fiduciary” shall mean the Paying Agent.

“Investment Securities” shall mean and include 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:

(a) direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United

States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee (“Direct Obligations”);

(b) direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation (“FHLMCs”); debentures of the Federal Housing Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association (“FNMA”); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association (“GNMA”); guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; debt obligations and letter of credit-backed issues of the Student Loan Marketing Association; local authority bonds of the U.S. Department of Housing & Urban Development; guaranteed Title XI financing of the U.S. Maritime Administration; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority; Resolution Funding Corporation securities;

(c) direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, “A” or better by Moody’s Investors Service (“Moody’s”) and “A” or better by Standard & Poor’s (“S&P”), or any obligations fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, “A” or better by Moody’s and “A” or better by S&P;

(d) commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, “P-1” by Moody’s and “A-1” or better by S&P;

(e) federal funds, unsecured certificates of deposit, time deposits or bankers acceptances (in each case having maturities of not more than 365 days) of any domestic bank including a branch office of a foreign bank which branch office is located in the United States, provided legal opinions are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which, at the time of purchase, has a short-term “Bank Deposit” rating of “P-1” by Moody’s and a “Short-Term CD” rating of “A-1” or better by S&P;

(f) deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than \$3 million, provided such deposits are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation (the “FDIC”);

(g) investments in money-market funds rated “AAAm” or “AAAm-G” by S&P;

(h) repurchase agreements collateralized by Direct Obligations, GNMA's, FNMA's or FHLMC's with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "P-1" or "A3" or better by Moody's, and "A-1" or "A-" or better by S&P, provided:

- (i) a master repurchase agreement or specific written repurchase agreement governs the transaction; and
- (ii) the securities are held free and clear of any lien by the Trustee or an independent third party acting solely as agent ("Agent") for the Trustee, and such third party is (1) a Federal Reserve Bank, or (2) a bank which is a member of the FDIC and which has combined capital, surplus and undivided profits of not less than \$50 million, 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; and
- (iii) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities, is created for the benefit of the Trustee; and
- (iv) the repurchase agreement has a term of 10 years or less, and the Trustee or the Agent 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 two business days of such valuation; and
- (v) the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%.

"Net Revenue Fund" shall mean the Net Revenue Fund established pursuant to Section 502 of the Sewer System Revenue Bond Resolution.

"Note" shall mean any note executed and delivered pursuant to this Note Resolution.

"Note Payment Account" shall mean the special account so designated which is established pursuant to Section 4.1 of this Note Resolution.

"Note Resolution" shall mean this Series 2024 Bond Anticipation Note Resolution.

"Noteowner" or "Holder" or words of similar import shall mean, when used with reference to a Note, the registered owner of such Note.

“Operating Fund” shall mean the Operating Fund established pursuant to Section 502 of the Sewer System Revenue Bond Resolution.

“Outstanding,” when used with reference to Notes, shall mean, as of any date, all Notes theretofore or thereupon being authenticated and delivered under this Note Resolution except:

- (a) any Notes cancelled by the Paying Agent at or prior to such date;
- (b) any Note in lieu of or in substitution for which other Notes have been executed and delivered; and
- (c) any Note deemed to have been paid as provided in Section 7.4 of this Note Resolution.

“Paying Agent” shall mean Manufacturers and Traders Trust Company, Buffalo, New York and its successor or successor and any other person which may at any time be substituted in its place pursuant to this Note Resolution.

“Project” shall mean Breckenridge Street Combined Sewer Overflow (CWSRF Project No. 6602-32-04), and all such roadways, connections, structures, equipment, apparatus and other property necessary or desirable for efficient construction and operation of such sewerage facilities, subject to any modifications and revisions approved by the Authority as necessary or desirable for the purposes of the Authority or the Sewer System under the Act.

“Project Finance Agreement” or “PFA” shall mean the project finance agreement to be entered into between the Authority and the EFC relating to the Notes in accordance with this Resolution, as the same may be amended from time to time.

“Rate Stabilization Fund” shall mean the Rate Stabilization Fund established pursuant to Section 502 of the Sewer System Revenue Bond Resolution.

“Registrar” shall mean the Paying Agent or its successors.

“Sewer System” shall mean the plants, structures and other real and personal property acquired, constructed or operated or to be acquired, constructed or operated by the Authority, or the City for the purposes of the Authority, including the Project, and including sewers, conduits, pipelines, mains, pumping and ventilating stations, sewage treatment or disposal systems, plants and works, connections, outfalls, compensating reservoirs, and other plants, structures, boats, conveyances, and other real and personal property, and rights therein, and appurtenances necessary or useful and convenient for the collection, treatment, purification or disposal in a sanitary manner of any sewage, liquid or solid wastes, night soil or industrial wastes.

“Sewer System Revenue Bond Resolution” shall mean the Amended and Restated Sewer System Revenue Bond Resolution adopted by the Authority on May 26, 2021, as amended, supplemented, and restated from time to time.

“State” shall mean the State of New York.

“Subordinated Indebtedness Fund” shall mean the Subordinated Indebtedness Fund established pursuant to Section 502 of the Sewer System Revenue Bond Resolution.

“Surplus Fund” shall mean the Surplus Fund established pursuant to Section 502 of the Sewer System Revenue Bond Resolution.

“Trustee” shall mean the Trustee under the Sewer System Revenue Bond Resolution.

Section 1.3 Interpretation. (A) In this Note Resolution, unless the context otherwise requires:

(1) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Note Resolution.

(2) The terms “hereby,” “hereof,” “herein,” “hereunder” and any similar terms, as used in this Note Resolution, refer to this Note Resolution, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this Note Resolution.

(3) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(4) Words importing persons shall include firms, associations, partnerships (including limited partnerships), limited liability companies, trusts, corporations, and other legal entities, including public bodies, as well as natural persons.

(5) Any headings preceding the texts of the several Articles and Sections of this Note Resolution, 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 of this Note Resolution, nor shall they affect its meaning, construction, or effect.

(6) This Note Resolution shall be deemed to be executed in the State and shall be governed by and construed in accordance with the applicable laws of the State.

(7) Any reference to the payment of a Note shall be a reference to the payment of the principal thereof and interest, if any, thereon.

(B) Whenever the Authority is named or referred to, it shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Authority contained in this Note Resolution shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any rights, power or duty of the Authority, or of its successors or assigns, the

possession of which is necessary or appropriate in order to comply with any such covenant, stipulation, obligation, agreement or other provision hereof.

(C) Nothing in this Note Resolution express or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Authority, the Fiduciaries and the owners of the Notes, any right, remedy or claim under or by reason of this Note Resolution or any covenant, condition or stipulation hereof. All of the covenants, stipulations, promises and agreements herein contained by and on behalf of the Authority, shall be for the sole and exclusive benefit of the Authority, the Fiduciaries, and the owners of the Notes.

(D) If any one or more of the covenants or agreements provided herein on the part of the Authority or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed separable from the remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Note Resolution or of the Notes.

ARTICLE II

TERMS OF NOTES

Section 2.1 Authorization for Note Resolution and Notes. This Note Resolution and the issuance of Notes hereunder have been duly authorized by the Authority and the principal amount of Notes that may be issued hereunder is not limited except as provided herein or by law. The Authority has ascertained and it is hereby determined and declared that the adoption of this Note Resolution is necessary to carry out the powers and duties expressly provided by the Act, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate the purposes of the Authority in accordance with the Act and to carry out powers expressly given in the Act, and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Notes and are contracts or agreements necessary, useful and convenient to carry out and effectuate the purposes of the Authority under the Act.

Section 2.2 Note Resolution to Constitute Contract. In consideration of the purchase and acceptance of the Notes by the EFC, the provisions of this Note Resolution shall be a part of the PFA between the Authority and the EFC and shall be deemed to be and shall constitute a contract among the Authority, the Trustee, and the EFC. The Pledges made hereby and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the owners of any and all of such Notes, each of which shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in this Note Resolution.

Section 2.3 Obligation of Notes. (A) This Note Resolution creates an issue of Notes of the Authority and creates a continuing pledge and lien to secure the full and final payment of the principal of and interest, if any, on such Notes. The Notes shall be general obligations of the Authority payable from the moneys of the Authority available therefor and not otherwise pledged, which pledge shall be in all respects subordinate to the provisions of the Sewer System Revenue Bond Resolution and the lien and pledge of the Revenues (as such term is defined in the Sewer System Revenue Bond Resolution) created by the Sewer System Revenue Bond Resolution. In addition, the Notes may be paid in whole or in part from the proceeds of bonds or other notes issued by the Authority as contemplated by Section 5.1(B) hereof. The Notes shall not be a debt of the State or of the City and neither the State nor the City shall be liable thereon, nor shall the Notes be payable out of any funds other than those of the Authority pledged pursuant to this Note Resolution; and the Notes shall contain on the face thereof a statement to such effect.

(B) All amounts held in any Account, including investments thereof, are hereby pledged to secure the payment of the Notes in accordance with their terms and the provisions of this Note Resolution, subject only to the provisions of this Note Resolution permitting the application or exercise thereof for or to the purposes and on the terms and conditions herein set forth. To the fullest extent provided by the Act and other applicable laws, the money and property hereby pledged shall immediately be subject to the lien of such pledge without physical delivery

thereof or further act and such lien shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise, irrespective of whether such parties have notice hereof.

Section 2.4 Authorization, Principal Amount and Purpose of Notes. There is hereby established and created an issue of Notes of the Authority to be known and designated as “Series 2024 Bond Anticipation Notes.” Said Notes shall be issued in an aggregate principal amount to be set forth in the Certificate of Determination and the Authority covenants and agrees that after the issuance of the Notes, no other Notes shall thereafter be issued pursuant to this Note Resolution. The Notes are being issued for the purpose of providing interim financing of the Project, including the making of deposits in the amounts, if any, required by the PFA and this Note Resolution.

Section 2.5 Terms and Provisions of Notes. The Notes shall be dated the date of delivery and shall mature without interest in accordance with the Project Finance Agreement. Interest shall not accrue on the unpaid principal amount of the Notes prior to the earlier of (a) the maturity date thereof or on such date as may be established pursuant to the Project Finance Agreement or (b) the date of earlier redemption of such unpaid principal amount, but in the event of any default in the payment of such unpaid principal amount on the earlier of the maturity date (or such date established as aforesaid) or the date of earlier redemption, the Authority shall be obligated to pay interest on such unpaid principal amount to the Holders of the Notes at the rate specified in the Project Finance Agreement on and after such maturity date (or such date established as aforesaid) or date of earlier redemption until such unpaid principal amount is paid in full. The Notes will be payable as to principal thereof and interest (in respect of overdue principal), if any, thereon at the principal office of the registrar and paying agent (the “Registrar and Paying Agent”) in its capacity as paying agent to the Holder of the Notes at its address set forth on the books of the Authority maintained for registration of the Notes. For so long as the EFC is the Holder of the Notes, the EFC may, by written instruction to the Authority, direct the Authority to pay any principal of or interest (in respect of overdue principal), if any, on the Notes, to any bank acting as custodian of the EFC. Notwithstanding the foregoing, if authorized by the General Manager of the Authority pursuant to Section 2.8 hereof, the Notes may bear interest at such other rate or rates as the General Manager determines to be appropriate.

Section 2.6. Determination as to Private Sale. The Authority being of the opinion it is in the best interests of the Authority to finance the purposes for which the Note is to be issued through the State Revolving Fund administered by the EFC, due to the favorable terms available to the Authority only through such Fund, and upon the favorable recommendation of the New York State Comptroller, if required, the Authority hereby determines pursuant to Section 1187(2) of the Act that the private sale of the Notes is in the best interests of the Authority.

Section 2.7 Sale of Notes. (A) The Chairman, Vice-Chairman or General Manager of the Authority are each hereby authorized to execute and deliver the PFA in such form and with such changes, insertions and omissions, including a change to the aggregate principal amount of the Notes, as may be approved by such Chairman, Vice-Chairman or General Manager, and such execution shall be conclusive evidence of any approval required by this Section 2.7(A). The Notes are hereby authorized to be sold to the EFC on the terms and conditions set forth in the PFA.

(B) The Authorized Officers of the Authority are hereby severally authorized to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done all acts and things necessary, convenient or proper for carrying out this Note Resolution, the PFA and the issuance, sale and delivery of the Notes.

Section 2.8 Delegation to General Manager. There is hereby delegated to the General Manager of the Authority, subject to the limitations contained herein, the power with respect to the Notes to determine and carry out the following terms which shall be set forth in the Certificate of Determination:

(A) the principal amount of the Notes, which shall not exceed \$36,738,300 in the aggregate, the rate or rates of interest to be paid on the Notes, if the General Manager determines that the Notes should bear interest, and the date and maturity date of the Notes; provided, however, that the maturity date of the Notes shall not be later than the third anniversary of the issuance of the Notes;

B) the disposition of the proceeds of the sale of the Notes for Costs of Issuance, Capital Costs in connection with the Project, deposit to the Construction Fund in accordance with the applicable provisions of the Sewer System Revenue Bond Resolution or such other uses as the General Manager may determine;

(C) the terms and conditions of the PFA and any other agreement, document or certificate reasonably required by the EFC in connection with the sale of the Notes; and

(D) any other provisions which may be required to be inserted in such Certificate of Determination by the provisions of this Note Resolution or any other necessary or desirable provisions not inconsistent or in conflict with the provisions of this Note Resolution; and the taking of any and all action necessary to provide for the issuance of the Notes, including the execution and delivery of the PFA and any required documents, certificates and agreements, closing documents and tax and arbitrage certificates.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF NOTES

Section 3.1 Medium of Payment, Denominations, Maturities, Form and Date. (A) The Notes shall be payable with respect to interest (if any) and principal 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.

(B) The Notes shall be issued in registered form only. Purchasers will not receive certificates representing their interests in the Notes.

(C) The Notes shall not bear interest except as set forth herein.

(D) The Notes shall be lettered "R" and numbered consecutively from (1) upwards.

Section 3.2 Legends. The Notes may contain or have endorsed thereon such provisions, specifications, and descriptive words not inconsistent with the provisions of this Note Resolution as may be necessary or desirable to comply with custom or otherwise.

Section 3.3 Notes Mutilated, Destroyed, Stolen or Lost. In case any Note shall become mutilated or be destroyed, stolen, or lost, the Authority shall execute a new Note of like interest rate, maturity, principal amount, and other terms as the Note so mutilated, destroyed, stolen, or lost. In the case of a mutilated Note, such new Note shall be delivered only upon surrender and cancellation of such mutilated Note. In the case of a Note issued in lieu of and substitution for a Note destroyed, stolen or lost, such new Note shall be delivered only upon the filing with the Authority of evidence satisfactory to the Authority that such Note has been destroyed, stolen or lost and proof of ownership thereof and upon furnishing the Authority with indemnity satisfactory to it. The person requesting the execution and delivery of a new Note pursuant to this Section 3.3 shall comply with such other reasonable regulations as the Authority may prescribe and pay such expenses as the Authority may incur in connection therewith. The Authority shall notify the Paying Agent of any Notes issued by it pursuant to this Section 3.3. All Notes so surrendered to the Authority shall be delivered to the Paying Agent and cancelled by it and evidence of such cancellation shall be given to the Authority.

Section 3.4 Cancellation and Destruction of Notes. All Notes paid by the Paying Agent shall be promptly cancelled. Notes so cancelled may at any time be cremated or otherwise destroyed by the Paying Agent, who shall execute a Certificate of cremation or destruction in duplicate by the signature of one of its Authorized Officers describing the Notes so cremated or otherwise destroyed, and one executed Certificate shall be filed with the Authority.

Section 3.5 Execution. The Notes shall be executed in the name of the Authority by the manual or facsimile signature of its Chairman, Vice-Chairman or General Manager, and its corporate seal (or a facsimile thereof) shall be thereunto affixed, imprinted, impressed, engraved

or otherwise reproduced thereon and attested by the manual or facsimile signature of the Comptroller, Secretary, Executive Secretary or any Assistant Secretary, or in such other manner as may be required by law. Each Note shall bear thereon a certificate of authentication manually executed by the Paying Agent and Registrar. No Note shall be valid or obligatory for any purpose unless such certificate of authentication upon such Note shall have been duly executed by the Paying Agent and Registrar. 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 delivered, such Notes may, nevertheless, be delivered as herein provided, and may be issued as if the person who signed or sealed such Notes had not ceased to hold such office 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 employment 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.

Section 3.6 Registration of the Notes. Unless otherwise determined by the General Manager of the Authority, the Notes shall be initially issued in the form of a separate single authenticated fully registered note in a principal amount not to exceed \$36,738,300 registered in the name of the New York State Environmental Facilities Corporation.

Section 3.7 Transfer of Notes. Each Note shall be transferable only upon the books of the Authority, which shall be kept for such purpose at the corporate trust office of the Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon transfer of any such fully registered Note, the Authority shall issue in the name of the transferee a new fully registered Note or Notes. The Authority and the Registrar may deem and treat the person in whose name any Note shall be registered upon the books of the Authority as the absolute owner of such Note, whether such Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest, if any, on such Note and for all other purposes, and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid, and neither the Authority nor the Registrar shall be affected by any notice to the contrary.

Section 3.8 Regulations with Respect to the Exchanges and Transfers. In all cases in which the privilege of exchanging or transferring Notes is exercised, the Authority shall execute, and the Registrar shall deliver Notes in accordance with the provisions hereof. All Notes surrendered in any such exchanges or transfers shall forthwith be cancelled by the Registrar. For every such exchange or transfer of Notes, the Authority or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and may charge a sum sufficient to pay the cost of preparing each new Note issued upon such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privileges of making such exchange or transfer.

Section 3.9 Form of Notes. Subject to the provisions of this Note Resolution and the PFA, the Notes shall be in substantially the following form and tenor, with such insertions,

variations, omissions and endorsements as may be required by this Note Resolution or the PFA or to comply with any changes made by the Chairman, Vice-Chairman or General Manager of the Authority pursuant to this Note Resolution:

Registered
No. R

Registered
\$

UNITED STATES OF AMERICA
STATE OF NEW YORK
BUFFALO SEWER AUTHORITY

E.F.C. Clean Water Facility Note – 2024
(Bond Anticipation Note)

REGISTERED OWNER: NEW YORK STATE ENVIRONMENTAL FACILITIES
CORPORATION

MAXIMUM PRINCIPAL SUM:

INITIAL INTEREST RATE:

DATED DATE: _____, 2024

MATURITY DATE: _____, 202_

The BUFFALO SEWER AUTHORITY (the “Recipient”), a public benefit corporation 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 disbursements (the “Disbursements”) made by or on behalf of New York State Environmental Facilities Corporation (the “Corporation”) to the Recipient pursuant to [Article IV] of the Project Finance Agreement dated as of _____, 2024 (the “Project Finance Agreement”), between the Corporation and the Recipient (the lesser of such amounts being hereinafter referred to as the “Unpaid Principal Sum” plus any and all interest then accrued, late fees and other fees and expenses then due), such amount to be paid on the Maturity Date stated above or upon such other date as may be established pursuant to the Project Finance Agreement in accordance with [Exhibit E] thereto. All Disbursements made by or on behalf of the Corporation to the Recipient 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 the Corporation and endorsed on the grid attached hereto in accordance with the terms of the Project Finance Agreement, which is hereby made a part hereof. Recordation of Disbursements, confirmed by a certificate of the Recipient given in accordance with the Project Finance Agreement, shall conclusively establish the principal amount outstanding hereunder. Interest shall not accrue on said Unpaid Principal Sum prior to the earlier of the Maturity Date or the date of earlier redemption of said Unpaid Principal Sum, but in the event of any default in the payment of said Unpaid Principal Sum on the earlier of the Maturity Date or the date of earlier redemption, the Recipient promises to pay interest on said Unpaid Principal Sum to the Registered Owner named above at the rate of _____ per centum (___%) per annum on and after said Maturity Date or date of earlier redemption until said Unpaid Principal Sum is paid in full. Principal of and

interest (in respect of overdue principal), if any, on this Note shall be payable to the Registered Owner hereof, at its address set forth on the books of the Recipient maintained for registration of this Note. For so long as the Corporation is the Registered Owner of this Note, the Corporation may, by written instruction to the Recipient, direct the Recipient to pay any principal of and interest (in respect of overdue principal), if any, on this Note to any bank acting as custodian of the Corporation. Both principal of and interest (in respect of overdue principal), 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.

This Note shall be transferable or exchangeable, solely in accordance with the terms of the Project Finance Agreement, only upon presentation to the Recipient with a written transfer of title and the Recipient shall thereupon register this Note in the name of the transferee in his books and shall endorse a certificate of such registration hereon. Such transfer shall be dated and signed by the Registered Owner, or his legal representatives, and it shall be duly acknowledged or proved, or in the alternative the signature thereto shall be certified as to its genuineness by an officer of a bank or trust company located and authorized to do business in this State.

This Note may be called for redemption prior to maturity, in whole or in part by the Recipient in accordance with [Section 4.3(b)] and [Exhibit E] of the Project Finance Agreement, after the Recipient delivers a written notice to the Corporation at least thirty (30) days and not more than sixty (60) days prior to the date of redemption, including that the Recipient desires to redeem all or a specified amount of the Note outstanding, and specifying the date of redemption.

This Note shall be subject to mandatory redemption prior to maturity pursuant to, and in accordance with, [Section 4.3(a)] of the Project Finance Agreement upon the date specified in a notice from the Corporation delivered to the Recipient not less than sixty (60) days prior to such redemption date upon the occurrence, as specified in such notice, that the Project financed or to be financed by Disbursements under this Note has been abandoned by the Recipient.

This Note shall further be subject to mandatory redemption in whole or in part, prior to maturity, pursuant to and in accordance with [Section 4.3(a)] and [Exhibit E] of the Project Finance Agreement, within five Business Days next succeeding the date the Recipient shall have received any proceeds from any Third Party Funding which are intended to pay, in whole or part, any costs of the Project which have been, or were intended to be, financed with the short-term loan made pursuant to the Project Finance Agreement; provided, however, that this Note shall be subject to such mandatory redemption solely to the extent of, and in an amount equal to, the proceeds of such Third Party Funding received by the Recipient on or after the date of the Recipient Note.

This Note is issued under the authority of and pursuant to and in full compliance with the provisions of the Constitution and statutes of the State of New York, and the note resolution adopted by the Recipient on December 4, 2024, authorizing the issuance of notes not to exceed \$36,738,300 (the "Note Resolution"), authorizing the issuance of indebtedness, and the Certificate of Determination executed by the Authorized Officer of the Recipient as of _____, 2024, as supplemented from time to time in accordance with the Project Finance Agreement.

This Note and the issue of which it is one are general obligations of the Recipient payable from the moneys of the Recipient available therefor and not otherwise pledged, which pledge shall be in all respects subordinate to the provisions of the Amended and Restated Sewer System Revenue Bond Resolution adopted by the Authority on May 26, 2021, as amended and restated (the "Bond Resolution"), and the lien and pledge of the Revenues (as such term is defined in said Bond Resolution) created by said Bond Resolution. The Notes are issuable in fully registered form only.

The Recipient 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 Recipient 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 the this Note.

This Note shall not be entitled to any benefit under the Note Resolution or Bond Resolution or become valid or obligatory for any purpose until it shall have been authenticated by the Registrar and Paying Agent 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 Constitution and statutes of the State of New York to exist, to have happened and to have been performed precedent to and in the issuance of this Note, exist, have happened and have been performed, and that this Note, together with all other indebtedness of the Recipient, is within every debt and other limit prescribed by the Constitution and laws of such State.

IN WITNESS WHEREOF, the Recipient has caused this Note to be executed by its Authorized Officer 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 to the Board and this Note to be dated as of the Dated Date set forth above.

BUFFALO SEWER AUTHORITY

(SEAL)

By: _____
Name:
Title:

ATTEST:

Name:
Title:

(FORM OF 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.

Note Number: R
Maximum Principal Sum: \$_____

Maturity Date:
Latest Extended Maturity Date:
Recipient: Buffalo Sewer Authority
SRF Project No.: 6602-32-04
Notation by:

DISBURSEMENTS 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 Disbursements, payments and extensions so require.

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.

MANUFACTURERS AND TRADERS
TRUST COMPANY,
Paying Agent and Registrar

By: _____
Authorized Signature

ARTICLE IV

ACCOUNTS

Section 4.1 Establishment of Note Payment Account. (A) The Authority hereby establishes a special account, which shall be designated as the Note Payment Account. Said Note Payment Account shall be held by the Fiduciary, separate and apart from all other accounts, moneys and assets of the Authority, and shall be identified by the Authority and the Paying Agent and Registrar according to the designation herein provided in such manner as to distinguish such Note Payment Account from the accounts established by the Authority for any other of its obligations. All moneys or securities held by the Fiduciary pursuant to this Note Resolution shall be held and applied only in accordance with the provisions of this Note Resolution.

(B) Any amounts required to be deposited pursuant to Section 5.9 of this Note Resolution shall be deposited to the credit of the Note Payment Account.

(C) The proceeds of any notes, bonds or other obligations of the Authority issued to redeem the Notes, in whole or in part, as determined by the Authority, shall be deposited to the credit of the Note Payment Account.

(D) The Fiduciary shall, on or before the maturity date of the Notes, withdraw from the Note Payment Account an amount equal to the aggregate principal amount of and accrued interest, if any, on the Outstanding Notes, or, if the amount on deposit to the credit of the Note Payment Account is less than the aggregate principal amount of and accrued interest, if any, on the Outstanding Notes, the balance on deposit to the credit of the Note Payment Account, and shall apply such amount solely to the payment of Outstanding Notes.

Section 4.2 Deposits. (A) In lieu of investing in Investment Securities (except as provided in Section 7.4), the Fiduciary shall, at the written direction of an Authorized Officer, if permitted by law, deposit amounts or cause amounts to be deposited in the Note Payment Account held by the Fiduciary or under its control pursuant to the terms of this Note Resolution in interest-bearing time deposits or certificates of deposit, or shall make other similar banking arrangements with itself or a financial institution the deposits of which are insured by the Federal Deposit Insurance Corporation or its successor. Each such interest-bearing time deposit or certificate of deposit or other similar banking arrangement shall permit the moneys so placed to be available at the times at which moneys are needed by the Authority to be expended and, except to the extent that any such deposits shall be insured by the United States of America or the federal corporations enumerated above on terms which in the judgment of the Authority (as expressed in written instructions to the Fiduciary) provide reasonable liquidity, all moneys in each such interest-bearing time deposit or certificate of deposit or other similar banking arrangement shall be continuously and fully secured under the laws of the State by Investment Securities (or other obligations rated in either of the two highest rating categories by a nationally recognized rating service) having a market value equal at all times to the amount of the deposit, certificate or other similar banking arrangement.

(B) In order to permit such amounts to be available for use at the time when needed, any amounts held under this Note Resolution by any Fiduciary, as such, may, if and as directed by the Authority, be deposited in the commercial banking department of such Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. Any such Fiduciary shall allow and credit on such amounts at least such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(C) All amounts deposited by any Fiduciary pursuant to Section 4.2(B) above shall be continuously and fully secured either (a) by lodging with any Federal Reserve Bank as custodian, as collateral security, Investment Securities having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) in such other manner as may then be required by applicable federal or state laws and regulations regarding security for the deposit of public funds. It shall not be necessary, unless required by applicable law, for the Fiduciary to give security under this Section 4.3(C) for the deposit of any amounts to the extent that such deposit is insured by the Federal Deposit Insurance Corporation or its successor, or which are held in trust and set aside by the Fiduciary for the payment of the Notes.

(D) All amounts so deposited by the Fiduciary shall be credited to the Note Payment Account.

Section 4.3 Investment of Certain Funds. (A) Subject to the right of the Authority to direct the investment or deposit of funds hereunder, moneys in any Account shall be continuously invested and reinvested or deposited and redeposited by the Fiduciary in Investment Securities with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds. The Authority shall consult with the Fiduciary from time to time as to the investment of amounts in the Accounts established or confirmed by this Note Resolution. The Authority may direct the Fiduciary to, or in the absence of direction, the Fiduciary shall, invest and reinvest the moneys in any Account in Investment Securities so that the maturity dates shall coincide as nearly as practicable with the times at which moneys are needed to be expended. The Investment Securities purchased shall be held by the Fiduciary, or for its account as Fiduciary, and shall be deemed at all times to be part of such Account, and the Fiduciary shall keep the Authority advised as to the details of all such investments. The Fiduciary shall sell at the best price obtainable, or present for redemption, any Investment Securities purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment from such Account.

(B) Investment Securities purchased as an investment of moneys in any Account by the Fiduciary under the provisions of this Note Resolution shall be deemed at all times to be a part of such Account. Any income or interest earned, and gains realized in excess of losses suffered by the Note Payment Account shall be retained therein and used for the purposes of such Account.

(C) The Fiduciary shall sell at the best price obtainable, or present for redemption or exchange, any Investment Security purchased by it pursuant to this Note Resolution whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Account for which such investment was made. The Fiduciary shall advise the Authority in writing, on or

before the twentieth day of each calendar month, of all investments held for the credit of each Account in its custody under the provisions of this Note Resolution as of the end of the preceding month.

Section 4.4 Valuation and Sale of Investments. (A) In computing the amount in any Account, obligations purchased as an investment of moneys therein shall be valued at the lower of cost or market value (exclusive of accrued interest).

(B) Except as otherwise provided herein, the Fiduciary shall sell at the best price obtainable, or present for redemption, any Investment Security whenever it shall be requested in writing by an Authorized Officer to do so or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Account held by it.

ARTICLE V

PARTICULAR COVENANTS

The Authority covenants and agrees with the owners of the Notes as follows:

Section 5.1 Payment of Notes. (A) The Authority shall duly and punctually pay or cause to be paid the principal of every Note and the interest, if any, thereon, at the dates and places and in the manner stated in the Notes, according to the true intent and meaning thereof.

(B) The Authority will use its best efforts to issue, sell and deliver notes, bonds or other evidences of indebtedness so as to have available an amount, which when taken together with other moneys that may be available therefor, including moneys held pursuant to this Note Resolution, to pay the principal of and interest, if any, on the Notes as the same become due in accordance with the terms of the Notes.

Section 5.2 Extension of Payment of Notes. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Notes or the time of the payment of any of the interest by the purchase or funding of such Notes, or claims for interest or by any other arrangement, and in case the maturity of any of the Notes or the time for payment of any such interest shall be extended, such Notes, or claims for interest shall not be entitled, in case of any default hereunder, to the benefit of this Note Resolution or to any payment out of the Account established pursuant to this Note Resolution, including the investments, if any, thereof, or out of any assets or revenues pledged hereunder (except moneys held in trust for the payment of particular Notes, or claims for interest pursuant to this Note Resolution) prior to benefits accorded to or the payment of the principal of all Notes Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Notes as shall not be represented by such extended claims for interest.

Section 5.3 Further Assurance. At any and all times the Authority shall, as 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, pledging, assigning and confirming all and singular, the rights, assets, revenues and other moneys, securities, funds and property hereby pledged or assigned, or intended so to be, or which the Authority may become bound to pledge or assign.

Section 5.4 Power to Issue Notes and Pledge the Note Payment Account and Other Property. The Authority is duly authorized under all applicable laws to authorize and issue the Notes and to adopt this Note Resolution and to pledge the revenues and assets purported to be pledged hereby in the manner and to the extent herein provided. The revenues and assets so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created hereby, except for the lien and pledge of the Revenues created by the Sewer System Revenue Bond Resolution, and all corporate or other action on the part of the Authority to that end has been and will be duly and validly taken.

The Notes and the provisions of this Note Resolution are and will be the valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of this Note Resolution. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the amounts in the Note Payment Account and other assets and revenues, including rights therein pledged under this Note Resolution and all the rights of the Noteowners under this Note Resolution against all claims and demands of all persons whomsoever.

Section 5.5 Issuance of Additional Obligations. The Authority hereby expressly reserves the right to adopt one or more additional resolutions for its purposes, and reserves the right to issue other obligations for such purposes.

Section 5.6 General. The Authority shall do and perform or cause to be done and performed all acts and things required to be done and performed by or on behalf of the Authority under the provisions of the Act and this Note Resolution in accordance with the terms of such provisions.

Section 5.7 Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of any stay or extension of law now or at any time hereafter in force which may affect the covenants and agreements contained in this Note Resolution or in the Notes, and all benefit or advantage of any such law is hereby expressly waived by the Authority.

Section 5.8 Tax Covenants. (A) The Authority shall at all times do and perform all acts and things necessary or desirable in order to assure any interest paid on the Notes shall, for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation.

(B) The Authority shall not permit at any time or times any of the proceeds of the Notes or any other funds of the Authority to be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any Note to be an “arbitrage bond” as defined in Section 148 of the Code.

Section 5.9 Withdrawal from Net Revenue Fund. In the event that the Authority cannot issue notes, bonds or other obligations of the Authority to redeem the Notes at maturity, the Authority shall, at least 15 days prior to the maturity date of the Notes, cause to be transferred to the Paying Agent and Registrar for the credit of the Note Payment Account from the Net Revenue Fund, to the extent that moneys on deposit in the Net Revenue Fund are available therefor, or, to the extent that moneys on deposit in the Net Revenue Fund are insufficient to redeem the Notes, moneys shall be transferred to the Net Revenue Fund from the Surplus Fund, Rate Stabilization Fund, Capital Improvement Fund, Construction Fund, Debt Reserve Fund, Subordinated Indebtedness Fund and Operating Fund, in that order, to cure any such deficiency.

ARTICLE VI

CONCERNING FIDUCIARIES

Section 6.1 Paying Agent and Registrar; Appointment and Acceptance of Duties. (A) Manufacturers and Traders Trust Company, Buffalo, New York, is hereby appointed Paying Agent and Registrar. The Paying Agent and Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Note Resolution by executing and delivering to the Authority a written acceptance thereof.

(B) The principal office of the Paying Agent and Registrar is designated as the office or agency of the Authority for the payment of the interest, if any, on and principal of the Notes.

Section 6.2 Responsibilities of Fiduciaries. The recitals of fact in this Note Resolution and in the Notes contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Note Resolution or of any Notes or coupons issued thereunder or in respect of the security afforded by this Note Resolution, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the issuance of the Notes for value or the application of the proceeds thereof or the application of any moneys paid to the Authority or for any losses incurred upon the sale or redemption of any securities purchased for or held in any Account under this Note Resolution. No Fiduciary shall be under any responsibility to any other Fiduciary. No Fiduciary shall be liable in connection with the performance of its duties under this Note Resolution except for its own willful misconduct, gross negligence, or willful default.

Section 6.3 Evidence on Which Fiduciaries May Act. (A) Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by such Fiduciary under this Note Resolution in good faith and in accordance therewith.

(B) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Note Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of an Authorized Officer, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Note Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or acquire such further or additional evidence as to it may seem reasonable.

(C) Except as otherwise expressly provided in this Note Resolution, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision thereof

by the Authority to any Fiduciary shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer.

Section 6.4 Compensation. The Authority shall pay to such Fiduciary from time to time reasonable compensation for all services rendered under this Note Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Note Resolution. The Authority further agrees to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its willful misconduct, gross negligence, or bad faith.

Section 6.5 Certain Permitted Acts. Any Fiduciary may become the owner of any Notes or any other obligations of the Authority with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as Fiduciary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Noteowners or the owners of any other obligations of the Authority or to effect or aid in any reorganization growing out of the enforcement of the Notes or any other obligations of the Authority or this Note Resolution, whether or not any such committee shall represent the owners of a majority in principal amount of the Notes then outstanding.

Section 6.6 Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a part or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and in the case of a successor Paying Agent, shall meet the requirements of Section 6.7(A), and shall be authorized by law to perform all the duties imposed upon it by this Note Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section 6.7 Resignation or Removal of Paying Agent and Registrar and Appointment of Successor. (A) The Paying Agent and Registrar may at any time resign and be discharged of the duties and obligations created by this Note Resolution by giving at least sixty days' written notice to the Authority. The Paying Agent and Registrar may be removed at any time by an instrument filed with the Paying Agent and Registrar and signed by the Authority. Any successor Paying Agent and Registrar shall be appointed by the Authority, and (subject to the requirements of Section 6.1) shall be a bank or trust company organized under the laws of any state of the United States or national banking association, having a capital and surplus aggregating at least \$5,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Note Resolution.

(B) In the event of the resignation or removal of any Paying Agent and Registrar, such Paying Agent and Registrar shall pay over, assign, and deliver any moneys held by it as Paying Agent and Registrar to its successor, or if there be no successor, to the Authority. In the event that

for any reason there shall be a vacancy in the office of any Paying Agent and Registrar, the Authority shall act as such Paying Agent and Registrar.

Section 6.8 Evidence of Signatures of Noteowners and Ownership of Notes. (A) Any request, consent, revocation of consent or other instrument which this Note Resolution may require or permit to be signed and executed by the Noteowners may be in one or more instruments of similar tenor, and shall be signed or executed by such Noteowners in person or by their attorneys-in-fact appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Notes shall be sufficient for any purpose of this Note Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Authority, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) the fact and date of the execution by any Noteowner or his attorney-in-fact of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company or of any notary public or other officer authorized to take acknowledgements of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority; and

(2) the amount of Notes registered in the name of any person executing any instrument as a Noteowner, the date of registration of such ownership and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Authority, executed by a member of a financial firm or by an officer of a bank, trust company, insurance company or financial corporation or other fiduciary, showing at the date therein mentioned that such person exhibited to such member or officer or had on deposit with such fiduciary the Notes described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or other fiduciary with respect to Notes owned by it, if acceptable to the Authority.

(B) Any request or consent by the owner of any Note shall bind all future owners of such Note in respect of anything done or suffered to be done by the Authority or any Fiduciary in accordance therewith.

Section 6.9 Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this Note Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, any other Fiduciary, and any Noteowners and their agents and their representatives, any of whom may make copies thereof.

ARTICLE VII

MISCELLANEOUS

Section 7.1 Findings and Determinations. The Authority hereby finds and determines that the sale of the Notes to the EFC pursuant to the PFA in accordance with this Resolution is fair and reasonable and in the best interests of the Authority and that, on the basis of such finding and determination, the Notes shall be sold to the EFC. The Authority hereby authorizes the Chairman, Vice-Chairman or General Manager of the Authority to negotiate, execute and deliver to the EFC, or cause to be delivered to the EFC, the PFA for and on behalf of the Authority, on such and terms and conditions as the person executing the same shall determine to be customary and prudent taking into account the best interests of the Authority, including any supplements or amendments thereto, provided that the purchase price shall not be less than one hundred percent (100%) of the aggregate principal amount of the Notes sold thereunder. The execution of the PFA and delivery to the EFC thereof shall constitute conclusive evidence of such determination.

A copy of the PFA as executed and delivered shall be maintained in the records of the Authority.

Section 7.2 Official Intent. The Authority may pay certain expenses incurred in connection with the Project prior to the date the Notes are issued out of the Authority's general operating fund. The Authority intends to reimburse any such original expenditure with the proceeds of the Notes.

Section 7.3 Additional Findings and Determinations. The Authority hereby finds, determines and declares: (a) that the Notes are issued under and secured by this Note Resolution; (b) that the terms of sale do not contemplate an underwriting of the Notes; (c) that it is in the best interest of the Authority to sell, and the interest of the Authority will be best served by a sale of, the Notes to the EFC as provided in the PFA; and (d) that all provisions and conditions of applicable law have been complied with in the issuance of the Notes.

Section 7.4 Defeasance. (A) If the Authority shall pay or cause to be paid to the owners of all Notes then outstanding, the principal and interest, if any, to become due thereon, at the times and in the manner stipulated therein and in this Note Resolution, then the covenants, agreements and other obligations of the Authority to the Noteowners shall be discharged and satisfied.

(B) Notes for the payment of which moneys shall have been set aside and which money shall be held in trust by the Paying Agent (through deposit by the Authority of funds for such payment or otherwise) at the maturity thereof, shall be deemed to have been paid within the meaning and with the effect expressed in Section 7.4(A) above.

Section 7.5 Moneys Held for Particular Notes. The amounts held by any Fiduciary for the payment due on any date with respect to Notes shall, on and after such date and pending such payment, be set aside on its books, and held in trust by it for the owners of the Notes entitled thereto.

Section 7.6 No Recourse on the Notes. No recourse shall be had for the payment of the principal of or interest, if any, on the Notes or for any claim based thereon or on this Note Resolution against any member or officer of the Authority or any person executing the Note.

Section 7.7 Effective Date. This Note Resolution shall take effect from and after its adoption.

CERTIFICATE

I, ELEANOR PETRUCCI, Secretary of the Buffalo Sewer Authority in the County of Erie, State of New York, HEREBY CERTIFY that the foregoing annexed extract from the Minutes of a meeting of the Board of Directors of said Authority, duly called and held on December 4, 2024, and at which a quorum was present and acting throughout and the resolution contained therein is a true and complete copy of the resolution thereupon adopted and recorded in the Minutes of said Authority and that the foregoing extract has been compared by me with the original minutes as officially recorded in my office in the Minute Book of said Authority and is a true, complete and correct copy thereof and of the whole of said original minutes so far as the same relate to the subject matters referred to in said extract, and that said resolution has not been amended or repealed but is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Authority this ____ day of December, 2024.

(SEAL)

Eleanor Petrucci, Secretary