

**RESOLUTION #2018-50**

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**SUPPLEMENTAL BOND RESOLUTION OF THE MANTUA TOWNSHIP MUNICIPAL UTILITIES AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF UP TO \$2,800,000 OF REVENUE BONDS, IN ONE OR MORE SERIES, OF THE AUTHORITY; AUTHORIZING THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENTS TO BE EXECUTED BY THE AUTHORITY AND EACH OF THE NEW JERSEY INFRASTRUCTURE BANK AND STATE OF NEW JERSEY, ACTING BY AND THROUGH THE NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION; FURTHER AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT, ALL PURSUANT TO THE 2018 NEW JERSEY INFRASTRUCTURE BANK FINANCING PROGRAM; AND DETERMINING CERTAIN MATTERS IN CONNECTION THEREWITH**

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**Parker McCay P.A.  
Mount Laurel, New Jersey  
Bond Counsel**

## BACKGROUND

**WHEREAS**, The Mantua Township Municipal Utilities Authority ("Authority") was created by virtue of an ordinance of the Township of Mantua ("Township") adopted on April 10, 1973, pursuant to and in accordance with the provisions of Chapter 183 of the Laws of the State of New Jersey of 1957, and the acts amendatory and supplemental thereto ("Act"); and

**WHEREAS**, the Authority is the owner and operator of sewerage facilities serving the residents of the Township ("System"); and

**WHEREAS**, the Authority is empowered to acquire, construct, maintain, operate and use projects related to its System and to issue bonds of the Authority to finance and refinance such projects relating to said System; and

**WHEREAS**, the Authority has heretofore issued its Revenue Bonds (1988 Series) under and pursuant to a bond resolution adopted by the Authority on May 23, 1988, as amended by the 1988 Amending Resolution adopted on June 15, 1988, as heretofore amended and supplemented (as so amended and supplemented, the "General Bond Resolution"); and

**WHEREAS**, the Authority has determined there exists a need within its service area to undertake various capital improvements to its System, including: (i) repairs to the stand pipe located on Block 146.08, Lot 13.01 of Candlewood Drive in the Township and improvements to related booster station electrical and mechanical systems; and (ii) construction of a new Well 2A at the site of the existing Well 2, each as more particularly described in the report prepared therefore by the Authority's Consulting Engineer, on file and available for inspection in the office of the Authority, inclusive of the fundings of deposits to all reserves and the costs associated therewith (collectively, the "2018 Project"), as further defined in that certain Loan Agreement ("IBank Loan Agreement") to be entered into between the Authority and the New Jersey Infrastructure Bank ("IBank") and that certain Loan Agreement ("Fund Loan Agreement"; together with the IBank Loan Agreement, the "Loan Agreements") to be entered into between the Authority and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection ("State"), all pursuant to the 2018 New Jersey Infrastructure Bank Financing Program ("Program"); and

**WHEREAS**, the Authority has determined to finance a portion of the acquisition, construction, renovation or installation of the 2018 Project with the proceeds of a loan to be made by each of the IBank ("IBank Loan") and the State ("Fund Loan"; together with the IBank Loan, the "Loans") pursuant to the IBank Loan Agreement and the Fund Loan Agreement, respectively; and

**WHEREAS**, to evidence the Loans, each of the IBank and the State require the Authority to authorize, execute and deliver its Revenue Bonds, 2018A Series to the IBank ("2018A Bonds") and its Revenue Bonds, 2018B Series to the State ("2018B Bonds"; together with the 2018A Bonds, the "2018 Bonds"), pursuant to the terms of applicable law and pursuant to the terms of the Loan Agreements; and

**WHEREAS**, the IBank and the State have expressed their desire to close in escrow the making of the Loans, the issuance of the 2018 Bonds and the execution and delivery of the Loan Agreements, all pursuant to the terms of an escrow agreement ("Escrow Agreement") to be entered into between the IBank, the State, the Authority, the escrow agent named therein ("Escrow Agent") and The Bank of New York Mellon, as Trustee for the holders of the 2018 Bonds ("Trustee"); and

**WHEREAS**, to effectuate the financing plan described in the above mentioned paragraphs, it is necessary for the Authority to adopt this supplemental bond resolution pursuant to and in accordance with the terms of the General Bond Resolution, and to authorize and approve the issuance of the 2018 Bonds, in an aggregate principal amount of up to \$2,800,000.

**NOW, THEREFORE, BE IT RESOLVED BY THE MANTUA TOWNSHIP MUNICIPAL UTILITIES AUTHORITY AND THE MEMBERS THEREOF, AS FOLLOWS:**

## **ARTICLE I**

### **DEFINITIONS AND INTERPRETATIONS**

**Section 1.01 Short Title.** This supplemental resolution may hereafter be cited by the Authority, and is hereafter referred to as the "2018 Supplemental Bond Resolution". The General Bond Resolution, as previously supplemented, and further supplemented by this 2018 Supplemental Bond Resolution are collectively referred to as the "Resolution".

**Section 1.02 Definitions.** As used, mentioned or referred to in this 2018 Supplemental Bond Resolution, the following words, terms and phrases shall have the meanings ascribed thereto, unless the context shall clearly require otherwise.

**"2018 Supplemental Bond Resolution"** shall mean this 2018 Supplemental Bond Resolution, as the same may from time to time be amended and supplemented.

**"2018 Bonds"** shall mean any of the Bonds of the Authority authorized to be issued by and pursuant to this 2018 Supplemental Bond Resolution.

**Section 1.03 Other Defined Terms.** Capitalized terms, not otherwise defined herein, shall have the meanings ascribed thereto in the General Bond Resolution, unless the context clearly requires otherwise.

**Section 1.04 Interpretations.** As the context shall clearly require, words importing persons include persons, firms, associations (whether incorporated or not incorporated), corporations and other organizations of persons. Words importing the singular number include the plural number and vice versa, and words importing the masculine include the feminine.

## ARTICLE II

### AUTHORIZATION FOR ADOPTION OF 2018 SUPPLEMENTAL BOND RESOLUTION

**Section 2.01 Authorization for the 2018 Supplemental Bond Resolution.** This 2018 Supplemental Bond Resolution is adopted by virtue of the Act, and Article III and Article VIII of the General Bond Resolution.

**Section 2.02 Resolution to Constitute Contract.** In consideration of the purchase and acceptance of any or all of the 2018 Bonds by those who shall own the same from time to time, the provisions of the Resolution shall be a part of the contract of the Authority with the registered owners from time to time of the 2018 Bonds. Pledges made herein and provisions, covenants and agreements herein and in the General Bond Resolution set forth to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the registered owners of any and all of the 2018 Bonds in accordance with the true tenor and meaning of such pledges, provisions, covenants and agreements. Each and every one of the 2018 Bonds, regardless of the time or times of their issuance or authentication shall, when duly authenticated, be of equal rank, without preference, priority or distinction as to payments of principal or redemption price thereof and interest thereon, except as may otherwise be expressly provided herein or in the General Bond Resolution, and shall, for all purposes thereof and hereof, constitute a series of "Revenue Bonds" as referred to in Article III thereof.

## ARTICLE III

### AUTHORIZATION OF 2018 PROJECT; DESCRIPTION AND ESTIMATED COSTS THEREOF; AND AUTHORIZATION OF 2018 BONDS

**Section 3.01 Authorization of Project; Description and Estimated Cost.** Pursuant to Section 25(1) of the Act, N.J.S.A. 40A:14B-25(1), the Authority hereby authorizes the completion of the 2018 Project and authorizes and declares the 2018 Project to be an authorized project of the Authority within the meaning of such term, as defined in the Act and a Project (as defined in the General Bond Resolution) for which Additional Bonds may be issued pursuant to Section 301 of the General Bond Resolution. Pursuant to Section 10 of the Act, the total estimated cost of the 2018 Project is hereby stated to be \$2,800,000. Said sum includes legal, financial, engineering and accounting fees; all other professional and advisory fees; printing, bond insurance premium, rating agency fees and all other costs of issuance with respect to the 2018 Bonds. The Authority will fund any required deposits to the Bond Reserve Fund from available funds.

**Section 3.02 Authorization of 2018 Bonds.** To provide funds for the costs of the 2018 Project, the issuance by the Authority of the 2018 Bonds in the aggregate principal amount of up to \$2,800,000 is hereby authorized, approved, ratified and confirmed.

## ARTICLE IV

### TERMS OF THE 2018 BONDS

**Section 4.01 Terms of the 2018 Bonds.** The 2018 Bonds shall be dated, bear interest at such rate or rates of interest per annum and shall mature on such date or dates as shall be determined by a supplemental resolution of the Authority duly adopted prior to their authentication and delivery. Such supplemental resolution may contain such other terms and provisions with respect to the 2018 Bonds which are not established by the terms of the Resolution or by the terms hereof and which are not inconsistent with the provisions thereof and hereof.

**Section 4.02 Maturities and Interest Rates.** The 2018 Bonds shall be dated on the dates and in amounts and shall bear interest at the rate or rates of interest as may be established by and as set forth in a Supplemental Resolution.

**Section 4.03 Mandatory Sinking Fund Redemption Provisions.** The 2018 Bonds may be subject to mandatory sinking fund redemption on the dates and in the amounts as may be set forth in a Supplemental Resolution.

**Section 4.04 Optional Redemption Provisions.** The 2018 Bonds may be subject to optional redemption on the dates and in the amounts and on terms and conditions set forth in a Supplemental Resolution.

**Section 4.05 Obligation of 2018 Bonds.** The 2018 Bonds shall be issued as "Revenue Bonds" pursuant to the terms of Article III of the General Bond Resolution and, as such, the 2018 Bonds shall be special obligations of the Authority payable from and secured by a pledge of the Gross Revenues of the Authority and from any other funds which are pledged and assigned for the payment of the 2018 Bonds under the terms of the General Bond Resolution. The 2018 Bonds shall be in all respects equally and ratably secured with the other Bonds issued under the General Bond Resolution.

**Section 4.06 Form of 2018 Bonds.** The 2018 Bonds, and the Certificate of Authentication thereof, shall be substantially in the form set forth in the General Bond Resolution as Bond Counsel may advise and the IBank and the State shall approve, with such omission, insertions and variations as may be required or necessary. The 2018 Bonds shall be issued in fully registered form and shall be payable to the registered owners thereof as to principal and interest in lawful money of the United States of America. The 2018 Bonds will be executed on behalf of the Authority by the manual signatures of the Chairman or Vice Chairman, attested by the Secretary or Assistant Secretary (such execution shall constitute conclusive approval by the Authority of the form of the 2018 Bonds), and shall bear the affixed, imprinted or reproduced seal of the Authority thereon.

**Section 4.07 Sale of 2018 Bonds.** Pursuant to the Act, the 2018A Bonds shall be sold to the IBank and the 2018B Bonds shall be sold to the State at such prices and on such terms and conditions as may be established in a supplemental resolution adopted by the Authority.

## ARTICLE V

### APPLICATION OF PROCEEDS AND APPOINTMENT OF FIDUCIARY

**Section 5.01 Application of Proceeds.** The 2018 Bonds are hereby directed to be executed by or on behalf of the Authority and delivered to the Trustee for authentication by the Trustee. Thereupon, the 2018 Bonds shall be authenticated by the Trustee, and subject to the fulfillment of the criteria in, inter alia, Section 305 of the General Bond Resolution, delivered by the Trustee to the Authority upon its order. The proceeds of the sale of the 2018 Bonds, including accrued interest, if any, shall be applied in accordance with the General Bond Resolution.

**Section 5.02 Appointment of Fiduciary.** The Bank of New York Mellon, West Paterson, New Jersey, is hereby appointed trustee, paying agent and registrar in connection with the 2018 Bonds to serve as such pursuant to the terms hereof and the General Bond Resolution. The Chairman, Vice Chairman, Treasurer and Executive Director ("Authorized Officers") are each hereby authorized to execute on behalf of the Authority an agreement directed to contract with the Trustee for the services to be provided in connection with the 2018 Bonds.

## ARTICLE VI

### APPROVAL OF FINANCING DOCUMENTS; PAYMENT COVENANT

**Section 6.01 Loan Agreements and Escrow Agreement.** Each of the IBank Loan Agreement, Fund Loan Agreement and the Escrow Agreement are hereby authorized to be executed and delivered on behalf of the Authority by its Chairman, Vice Chairman, Treasurer, Executive Director or Treasurer ("Authorized Officers"), in substantially the forms on file in the office of the Authority, with such changes as the Chairman, Vice Chairman, Executive Director or Treasurer in their respective sole discretion, after consultation with counsel and any advisors to the Authority and after further consultation with the IBank and the State and their representatives, agents, counsel and advisors, shall determine, such determination to be conclusively evidenced by the execution each of such IBank Loan Agreement, Fund Loan Agreement and Escrow Agreement by an authorized officer as determined hereunder. The Secretary and Assistant Secretary of the Authority is hereby authorized to attest to the execution of the IBank Loan Agreement, Fund Loan Agreement and Escrow Agreement by an authorized officer of the Authority as determined hereunder and to affix the corporate seal of the Authority to such documents.

The Authorized Officers of the Authority and the Secretary or Assistant Secretary of the Authority are hereby further severally authorized to execute and deliver and the Secretary or Assistant Secretary of the Authority is hereby further authorized to attest such execution and affix the corporate seal of the Authority to any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Officers or the Secretary or Assistant Secretary of the Authority, as applicable, in their respective sole discretion, after consultation with counsel and any advisors to the Authority and after further consultation with the IBank and the State and their representatives, agents, counsel and advisors, to be executed in connection with the execution and delivery of the IBank Loan Agreement, Fund Loan Agreement and Escrow

Agreement and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document and to perform such other actions as the Authorized Officers deem necessary, desirable or convenient in relation to the execution and delivery thereof.

**Section 6.02 Covenant to Pay Principal and Interest.** The Authority hereby covenants and agrees with and for the benefit of the holders, from time to time, of the 2018 Bonds, that it will pay interest on and principal thereof when due.

## ARTICLE VII

### TAX MATTERS

**Section 7.01 Basic Tax Covenants.** The Authority hereby covenants that it will not make any use of the proceeds of the 2018 Bonds or do or suffer any other action that would cause: (i) the 2018 Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Internal Revenue Code of 1986, as amended ("Code") and the Income Tax Regulations promulgated thereunder; (ii) the interest on the 2018 Bonds to be included in the gross income of the owners thereof for federal income taxation purposes; or (iii) the interest on the 2018 Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

**Section 7.02 Additional Tax Covenants.** The Authority hereby covenants as follows: (i) it shall timely file with the Internal Revenue Service, such information report or reports as may be required by Sections 148(f) and 149(e) of the Code; (ii) it shall take no action that would cause the 2018 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code; and (iii) it shall pay, or cause to be paid, to the United States Treasury in the manner and at the time prescribed in Regulations §§1.148-1 through 1.148-11, 1.149(b)-1, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2, as such regulations and statutory provisions may be modified insofar as they apply to the 2018 Bonds, an amount equal to the rebatable arbitrage earned by investing proceeds of the 2018 Bonds.

## ARTICLE IX

### MISCELLANEOUS

**Section 8.01 Amendments; Supplements.** At any time, a supplemental resolution of the Authority may be adopted for the purpose of supplementing the General Bond Resolution or amending or supplementing this 2018 Supplemental Bond Resolution upon the terms and conditions set forth herein and in the General Bond Resolution.

**Section 8.02 Severability of Invalid Provisions.** If any one or more of the provisions, covenants or agreements in this 2018 Supplemental Bond Resolution on the part of the Authority to be performed should be finally determined to be contrary to law, such provision or provisions,

covenant or covenants, agreement or agreements, shall be deemed severable from the remaining provisions, covenants and agreements, and shall in no way affect the validity of the other provisions hereof or of any of the 2018 Bonds.

**Section 8.03 Ratification of Actions Taken; Further Action Authorized.** All actions heretofore taken and documents prepared or executed by or on behalf of the Authority by its members, Chairman, Vice Chairman and Executive Director, other Authorized Officers and by the Authority's professional advisors, in connection with the issuance of the 2018 Bonds are hereby ratified, confirmed, approved and adopted. Such members and officials are each hereby authorized to determine all matters and execute all documents and instruments in connection with the issuance of the 2018 Bonds not determined or otherwise directed to be executed by the Law, the General Bond Resolution or this 2018 Supplemental Bond Resolution, and the signatures of such members and officials on any such documents or instruments shall be conclusive as to such determinations.

**Section 8.04 Statutory Recital.** Pursuant to Section 30(16) of the Act, N.J.S.A. 40:14B-30(16), each and every matter and course of conduct set forth herein and in the General Bond Resolution is hereby declared to be included in this 2018 Supplemental Bond Resolution and in the General Bond Resolution to further secure the payment of the principal of and interest on the 2018 Bonds.

**Section 8.05 Notice of Adoption of General Bond Resolution.** A copy of this 2018 Supplemental Bond Resolution shall be filed for public inspection in the office of the Authority and in the office of the Clerk of the Township. The appropriate officials of the Authority are hereby authorized and directed to publish, or cause to be published, in a newspaper published or circulating in the County of Gloucester, a notice stating the fact and date of the adoption of this 2018 Supplemental Bond Resolution and the places where this 2018 Supplemental Bond Resolution has been filed for public inspection, and such further information as is required by Section 28 of the Law, N.J.S.A. 40:14B-28.

**Section 8.06 Inconsistent Legislation Rescinded.** All resolutions, or parts thereof, inconsistent herewith or with the General Bond Resolution are hereby repealed and rescinded to the extent of any such inconsistency.

**Section 8.07 Effective Date.** This 2018 Supplemental Bond Resolution shall be effective for all purposes immediately upon adoption this 21st day of August, 2018.

**Section 8.08 Certified Copies.** Upon the adoption hereof, the Secretary or the Assistant Secretary of the Authority shall forward certified copies of this resolution to Parker McCay P.A., bond counsel to the Authority, and Richard T. Nolan, Esq., McCarter & English, LLP, Bond Counsel to the IBank.



**DULY ADOPTED** at the Regular Meeting of the Mantua Township Municipal Utilities Authority held on August 21, 2018.

**The Mantua Township  
Municipal Utilities Authority**

By:   
Thomas D. Gregg, Chairman

ATTEST:  
  
Tim Sheehan, Secretary

Governing Body	Recorded Vote	Resolution 2087-46			Outstanding Checks
		<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>	
<u>Member</u>	<u>Aye</u>				
Gregg	✓				
Burkett	✓				
Sheehan	✓				
Dilisciandro	✓				
Voltaggio	✓				
Bruner					
Parks					

