

**THE MANTUA TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
RESOLUTION 2021-21**

**SUPPLEMENTAL NOTE RESOLUTION OF THE MANTUA
TOWNSHIP MUNICIPAL UTILITIES AUTHORITY AMENDING AND
SUPPLEMENTING A NOTE RESOLUTION DULY AND FINALLY
ADOPTED BY THE AUTHORITY ON AUGUST 20, 2019
INCREASING THE AUTHORIZED AMOUNT OF PROJECT NOTES
AUTHORIZED TO BE ISSUED**

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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, notes and other obligations 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 to undertake a capital improvement project consisting of the construction of a new gravity collection system, duplex pumping station, and force main to support existing properties along Barnsboro Road and Breakneck Road in the Township (collectively, the "Project"); and

WHEREAS, pursuant to the Wastewater Treatment Bond Act of 1985, constituting Chapter 329 of the Laws of 1985 of the State, and the Environmental Infrastructure Trust Act, constituting Chapter 334 of the Laws of 1985 of the State ("Environmental Infrastructure Trust Act"), the New Jersey Infrastructure Bank ("IBank"), created pursuant to the Environmental Infrastructure Trust Act, has approved an application submitted to it on behalf of the Authority for financial assistance for payment of a portion of the costs of the Project; and

WHEREAS, in anticipation of permanently financing the costs of the Project through the IBank's financing program, the Authority has determined to temporarily finance the costs of the Project with the proceeds of a short-term loan to be made by the IBank ("Construction Loan"), pursuant to the Construction Financing Program of the IBank ("Construction Financing Program"); and

WHEREAS, in order to: (i) evidence and secure the repayment obligation of the Authority to the IBank with respect to the Construction Loan; and (ii) satisfy the requirements of the Construction Financing Program, it is the desire of the Authority to issue and sell to the IBank one or more series of its Subordinate Project Notes ("Notes"); and

WHEREAS, the Authority's obligation to repay the principal of, and interest on, the Notes shall, in all respects, be subject to and subordinate to the Authority's obligation to make payment on any bonds issued and outstanding pursuant to the General Bond Resolution; and

WHEREAS, to provide additional security to the Trust, the Township is obligated pursuant to Section 302(A) of a Service Contract by and between the Authority and the Township, dated June 14, 1988, as amended and supplemented to date (as amended and supplemented, the "Service Contract") to pay as a Deficiency Advance (as defined in the Service Contract) the principal and interest on all bonds, temporary bonds, notes or other obligations of the Authority to the extent not otherwise paid by the Authority; and

WHEREAS, on August 20, 2019, the Authority duly and finally adopted a Note Resolution authorizing the issuance and sale of the Notes in a principal amount not-to-exceed \$1,800,000 ("Original Note Resolution"); and

WHEREAS, the Authority's consulting engineer has subsequently advised the Authority that the cost of the Project will exceed the original estimates; and

WHEREAS, the Authority desires to amend and supplement certain provisions of the Original Note Resolution, pursuant to Sections 5.02 and 5.03 thereof, in connection with the issuance of the Notes to increase the not-to-exceed amount of the Notes authorized from \$1,800,000 to \$2,300,000.

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

Section 1. Short Title. This supplemental bond resolution may hereafter be cited by the Authority, and is hereafter referred to, as the "2021 Supplemental Note Resolution".

Section 2. Other Defined Terms. Capitalized terms, not otherwise defined herein, shall have the meanings ascribed thereto in the Original Note Resolution, unless the context clearly requires otherwise.

Section 3. 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.

Section 4. Authorization for Adoption of 2021 Supplemental Note Resolution. This 2021 Supplemental Note Resolution is adopted by virtue of the Act, and Article V of the Original Note Resolution.

Section 5. Amendment of the Original Note Resolution. (a) Pursuant to the provisions of Sections 5.02 and 5.03 of the Original Note Resolution, Sections 2.02, 2.03 and 2.06 the Original Note Resolution are hereby amended and restated in their entirety as follows:

(i) **"Section 2.02 Determination to Construct Project and as to Other Matters.** The Authority has ascertained and did heretofore and does hereby determine that the Project is necessary and shall diligently proceed with the completion of the same. The estimated Cost of Construction of the Project is \$2,300,000. It is hereby further determined that the

provisions or reserves herein provided to be made or established by application of proceeds of the Notes for working capital or costs in connection with the issuance of the Notes or operating, maintenance or replacement expenses or for payment or security of principal of or interest on the Notes during or after construction or acquisition of the Project constitute and shall be part of such Cost of Construction."

(ii) "**Section 2.03 Authorization of Notes.** This 2019 Note Resolution authorizes one or more series of Notes of the Authority to be designated as "Subordinate Project Notes, Series 20__". The aggregate principal amount of the Notes which may be executed, authenticated and delivered under this 2019 Note Resolution is limited to \$2,300,000."

(iii) "**Section 2.06 Sale of the Notes.** The sale of each series of the Notes is hereby authorized. The Chairperson, Vice-Chairperson, Treasurer, Executive Director and Assistant Executive Director are each hereby designated as Authority Officers, charged by this 2019 Note Resolution with the responsibility for issuing and selling each series of the Notes to the IBank and determining, among other things, the amount of the Notes to be issued (not to exceed \$2,300,000), the time of sale of the Notes, the maturity date of such Notes, the provisions pertaining to redemption thereof, the rate or rates of interest for such Notes (provided that, without further approval, the net interest cost on the Notes shall not exceed five per centum (5.00%) per annum) and such other terms and conditions as may be necessary or related to the sale of the Notes, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, agreements, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this 2019 Note Resolution and the issuance and sale of each series of the Notes."

(b) All references in the Original Note Resolution to "2019 Note Resolution" shall hereinafter mean the Original Note Resolution as amended and supplemented by this 2021 Supplemental Note Resolution.

Section 6. Severability of Invalid Provisions. If any one or more of the provisions, in this 2021 Supplemental Note 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 Notes.

Section 7. Ratification of Actions Taken; Further Actions Authorized. All actions heretofore taken and documents prepared or executed by or on behalf of the Authority and its Members, other Authority Officers and by the Authority's professional advisors, in connection with the issuance and sale of the Notes are hereby ratified, confirmed, approved and adopted. Such members and officials are hereby jointly and severally authorized and directed to determine all matters and execute all documents and instruments in connection with the issuance and sale of the Notes not determined or otherwise directed to be executed by applicable law, the Original Note Resolution or by this 2021 Supplemental Note Resolution, and the signatures of any Member of the Authority or the Authority Officers on any such documents or instruments shall be conclusive as to such determinations.

Section 8. Incidental Actions Authorized All authorized officers of the Authority are hereby authorized to execute and deliver all such documents and to take all such actions as may be necessary or desirable to effectuate the purposes of the Original Note Resolution and this 2021 Supplemental Note Resolution. Whenever a designated officer has been authorized or directed to act in the place and instead of the officer so designated, in the event of the latter's inability or unavailability to so act, such designated officer shall be deemed to be authorized to perform such act.

Section 9. Inconsistent Resolutions Rescinded. All resolutions, or parts thereof, inconsistent herewith are hereby repealed and rescinded to the extent of any such inconsistency.

Section 10. Effective Date. This 2021 Supplemental Note Resolution shall take effect immediately upon adoption this 2nd day of February, 2021.

Recorded Vote

AYE

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NO

ABSTAIN

ABSENT

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The foregoing is a true copy of a resolution adopted by the Authority on February 2, 2021.


