

**CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY
RESOLUTION 2020-25**

**RESOLUTION OF THE CARNEYS POINT TOWNSHIP
SEWERAGE AUTHORITY AUTHORIZING THE
ISSUANCE AND SALE OF ITS SEWER PROJECT NOTES,
SERIES 2020, IN THE PRINCIPAL AMOUNT OF UP TO
\$440,000; DELEGATING TO CERTAIN AUTHORITY
OFFICIALS THE POWER TO MAKE CERTAIN
DETERMINATIONS AND TO AWARD AND SELL THE
NOTES; APPROVING CERTAIN TERMS AND
PROVISIONS OF THE NOTES AND THE PLEDGE OF
REVENUES TO SECURE THE PAYMENT OF THE NOTES;
AND DETERMINING CERTAIN MATTERS IN
CONNECTION THEREWITH**

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BACKGROUND

WHEREAS, The Carneys Point Township Sewerage Authority ("Authority") is a public body corporate and politic organized and existing pursuant to the Sewerage Authorities Law of New Jersey, constituting Chapter 138 of the Pamphlet Laws of 1946 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (*N.J.S.A. 40:14A-1 et seq.*) ("Act") and created by virtue of an ordinance of the governing body of the Township of Carneys Point, New Jersey ("Township") duly adopted on March 4, 1959; 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 and notes of the Authority to finance and refinance such projects relating to said System; and

WHEREAS, the Authority previously determined to undertake a capital improvement project consisting of reconstruction and repairs to the System, all as more particularly described in the information prepared in connection therewith by the Authority's Consulting Engineer, on file and available for inspection in the offices of the Authority (collectively, the "Project"); and

WHEREAS, on September 12, 2019, the Authority issued its Sewer Project Notes, Series 2018, in the principal amount of \$550,000, bearing interest at the rate of 1.995% per annum to temporarily finance the costs of the Project by the repayment at maturity of a prior series of the Authority's project notes ("2019 Notes"); and

WHEREAS, the 2019 Notes mature on September 11, 2020; and

WHEREAS, it is the desire of the Authority to issue its project notes in an aggregate principal amount not to exceed \$440,000, the proceeds of which, together with other available funds of the Authority, will be used to temporarily finance the costs of the Project by the payment, at maturity, of the principal of the 2019 Notes ("Refunding Project"); and

WHEREAS, it is necessary for the Authority to adopt this resolution to authorize and effectuate the issuance and sale its Sewer Project Notes, Series 2020, in the principal amount of up to \$440,000 ("Notes").

NOW, THEREFORE, BE IT RESOLVED BY THE CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY AND THE MEMBERS THEREOF, AS FOLLOWS:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01 Short Title. This resolution may hereafter be cited by the Authority, and is hereafter referred to, as the "2020 Note Resolution".

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Section 1.02 Definitions. As used, mentioned or referred to in this 2020 Note Resolution, the following words, terms and phrases shall have the meanings ascribed thereto, unless the context shall clearly require otherwise.

"2020 Note Resolution" means this 2020 Note Resolution, as the same may from time to time be amended and supplemented.

"Amortized Value" when used with respect to Investment Obligations (as hereinafter defined) purchased at a premium above or a discount below par, shall mean the value at any given date obtained by dividing the total premium or discount at which such Investment Obligations were purchased by the number of interest payment dates remaining to maturity on such Investment Obligations after such purchase and by multiplying the amount so calculated by the number of interest payment dates having passed since the date of such purchase, and (i) in the case of Investment Obligations purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of Investment Obligations purchased at a discount, by adding the product thus obtained to the purchase price.

"Annual Charge" means the obligation of the Township to pay Annual Charges to the Authority pursuant to, and as defined in Article IV of the Service Agreement.

"Authorized Newspaper" means a newspaper of general circulation which is customarily published at least once in each calendar week in the County of Salem, New Jersey.

"Authority Officer" means the Chairman, the Vice Chairman, the Treasurer, the Secretary or the Business Manager of the Authority, and, when used with reference to an act or document, also means any other person authorized by supplemental resolution of the Authority to perform such act or sign such document.

"Chairman" means the Chairman or Acting Chairman of the Authority.

"Cost of Issuance Fund" means the Fund so designated and established by Section 3.02 of this 2020 Note Resolution.

"Cost of Construction" means when used with reference to the Project or part thereof, the Authority's costs of physical construction in connection therewith, costs of completion by or for the Authority, of any lands, real or personal property, rights, rights-of-way, easements and franchises necessary or convenient therefor, and the Authority's costs incidental to such construction or acquisition, including legal, engineering and insurance costs, project report, survey and other preliminary expenses, financing costs (including costs of issuance of the Notes), fees and expenses of the Fiduciary (as hereinafter defined), amounts required by this 2020 Note Resolution to be paid from the proceeds of the Notes to the Trustee to be held in the Debt Service Fund (as hereinafter defined), payments of interest during the period or estimated period of such construction or acquisition on Notes issued in whole or in part to finance such construction or acquisition, payments of principal of or interest on any indebtedness of the Authority (other than the Notes) incurred for such construction or acquisition, costs of equipment and supplies and the advance training of operating personnel, initial working capital required by the Authority for the commencement of operation of said Project or part thereof, and any other costs properly attributable to such construction or acquisition.

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"Counsel's Opinion" means an opinion signed by an attorney or firm of attorneys of recognized standing (who may be counsel or of counsel to the Authority) selected by the Authority.

"County" means the County of Salem, State of New Jersey.

"Debt Service Fund" means the Fund so designated and established by Section 3.02 of this 2020 Note Resolution.

"Depository" means any bank organized under the laws of the State of New Jersey or organized under the laws of the United States of America and having its place of business in the State of New Jersey, selected by the Authority as a depository of any moneys or funds of the Authority.

"Event of Default" shall have the meaning ascribed to such term in Section 6.02 of this 2020 Note Resolution.

"Fiduciary" means the Trustee or a Depository.

"Fiscal Year" means the period of twelve calendar months ending with December 31 of any year.

"Fund" or "Funds" means the funds established by Section 3.02 of this 2020 Note Resolution.

"Investment Obligations" means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the Authority's funds:

- (a) direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal of 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; senior debt obligations of the Federal Home Loan Banks; debentures of the Federal Housing Administration; guaranteed mortgage-backed bonds and guaranteed pass-through obligations of the Government National Mortgage Association; guaranteed Title XI financing of the U.S. Maritime Administration; mortgage-backed securities and senior debt obligations of the Federal National Mortgage Association; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; and obligations of the Resolution Trust Corporation (collectively, "Agency Obligations");
- (c) direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured general obligation debt is rated "A3" or better by Moody's Investors Service and "A-" or better by Standard & Poor's Ratings

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Services, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is rated "A3" or better by Moody's Investors Service and "A-" or better by Standard & Poor's Ratings Services;

- (d) commercial paper rated "Prime-1" by Moody's Investors Service and "A-1" or better by Standard & Poor's Ratings Services;
- (e) obligations rated "A3" or better by Moody's Investors Service and "A-" or better by Standard & Poor's Ratings Services;
- (f) deposits, federal funds or bankers acceptances 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 payments of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which:
 - 1. has an unsecured, uninsured and unguaranteed obligation rated "Prime-1" or "A3" or better by Moody's Investors Service and "A-1" or "A-" or better by Standard & Poor's Ratings Services, or
 - 2. is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting the rating requirements in (1) above;
- (g) deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than \$3,000,000, provided such deposits are fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund administered by the Federal Deposit Insurance Corporation or are collateralized by investments described in (a) or (b) above;
- (h) investments in a money-market fund rated "Am" or "Am-G" or better by Standard & Poor's Ratings Services including funds sponsored by any Fiduciary;
- (i) investment agreements with or unconditionally guaranteed by a bank or insurance company which has an unsecured, uninsured and unguaranteed obligation (or claims-paying ability) rated "A3" or better by Moody's Investors Service and "A-" or better by Standard & Poor's Ratings Services, or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting such rating requirements, provided that:
 - a. interest is paid at least semi-annually at a fixed rate during the entire term of the agreement, consistent with bond payment dates, and
 - b. moneys invested thereunder may be withdrawn without any penalty, premium, or charge upon not more than one day's notice (provided

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such notice may be amended or cancelled at any time prior to the withdrawal date), and

- c. the agreement is not subordinated to any other obligations of such insurance company or bank, and
- d. the same guaranteed interest rate will be paid on any future deposits made to restore the reserve to its required amount, and
- e. the Fiduciary receives an opinion of counsel that such agreement is an enforceable obligation of such insurance company or bank; or

(j) the New Jersey Cash Management Fund.

"Note" or **"Notes"** means the Sewer Project Notes, Series 2020, authorized pursuant to this 2020 Note Resolution.

"Noteholder" or **"Holder"** or **"Holders"** or any similar term, when used with reference to the Notes, means any person who shall be the bearer of any Outstanding Notes.

"Officer's Certificate" means a certificate signed by an Authority Officer.

"Outstanding" means, when used with reference to the Notes and as of any particular date, all Notes theretofore and thereupon being authenticated and delivered except (a) any Notes cancelled by the Trustee, or proven to the satisfaction of the Trustee to have been cancelled by the Authority, at or before said date, (b) any Notes in lieu of or in substitution for which another Note shall have been authenticated and delivered pursuant to this 2020 Note Resolution, and (c) Notes deemed to have been paid pursuant to Section 9.06 hereof.

"Revenues" means: (i) the proceeds of any sewer revenue bonds issued by the Authority in connection with the Project, in anticipation of which the Notes are issued; (ii) all other monies held under this 2020 Note Resolution; and (iii) any other funds derived from the operation of the Authority's System, that remain following payment, when due, of all Authority operating expenses.

"Secretary" means the Secretary or an Acting Secretary of the Authority.

"Service Agreement" means the agreement by and between the Township and the Authority dated May 31, 1961.

"Township" means the Township of Carneys Point, County of Salem, New Jersey.

"Trustee" means The Bank of New York Mellon, a New York banking corporation with trust and fiduciary powers in the State of New Jersey with a corporate trust office located in Woodland Park, New Jersey, or its successor and assignee.

Section 1.03 Captions and Index. Any captions, titles or headings preceding the text of any Article or Section herein and any table of contents or index attached to this 2020 Note

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Resolution or any copy thereof are solely for convenience of reference and shall not constitute part of this 2020 Note Resolution or affect its meaning, construction or effect.

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.

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ARTICLE II

AUTHORIZATION, ISSUANCE AND SALE OF THE NOTES

Section 2.01 Authority for the 2020 Note Resolution. This 2020 Note Resolution is adopted pursuant to the provisions of the Act. The Authority has ascertained and hereby determines that adoption of this 2020 Note Resolution is necessary to carry out the powers, purposes and duties expressly provided in the Act, that each and every matter and thing as to which provision is made herein is necessary in order to carry out and effectuate the purposes of the Authority in accordance with the Act and to carry out and effectuate the plan and purpose of the Act, and that the powers of the Authority herein exercised are in each case exercised in accordance with the provisions of the Act and in furtherance of the purposes of the Authority.

Section 2.02 Determination to Construct Project and as to Other Matters. The Authority ascertained and did heretofore determine that the Project was necessary and completed the project in May of 2014. The total Cost of Construction of the Project was approximately \$1,000,000. 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 or interest on the Notes after construction of the Project constitute and shall be part of such Cost of Construction.

Section 2.03 Authorization of Notes. This 2020 Note Resolution creates a series of Notes of the Authority to be designated as "Sewer Project Notes, Series 2020". The aggregate principal amount of the Notes which may be executed, authenticated and delivered under this 2020 Note Resolution is limited to \$440,000.

Section 2.04 General Provisions for Issuance of Notes. All (but not less than all) of the Notes shall be executed by the Authority for issuance under this 2020 Note Resolution and delivered to the Trustee and thereupon shall be authenticated and delivered by the Trustee to the Authority or upon its order, but only upon the receipt by the Trustee of:

1. A written order as to the delivery of such Notes, signed by an Authority Officer;
2. A copy of this 2020 Note Resolution authorizing such Notes, certified by an Authority Officer;
3. A Counsel's Opinion (which shall be addressed to the Authority and the Trustee) to the effect that: (i) the Authority has the right and power under the Act to adopt this 2020 Note Resolution and this 2020 Note Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority in accordance with its terms, and no other authorization for this 2020 Note Resolution is required; (ii) this 2020 Note Resolution creates the valid pledge which it purports to create of the moneys, securities and funds held or set aside under this 2020 Note Resolution; and (iii) the Notes are legal, valid and binding obligations of the Authority as provided in this 2020 Note Resolution, in accordance with their terms and the terms of this 2020 Note Resolution and of the Act, as amended to the date of such Counsel's Opinion, and such Notes have been duly and validly authorized and issued in accordance with law,

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including the Act, as amended to the date of such Counsel's Opinion, and in accordance with this 2020 Note Resolution; provided, that such Counsel's Opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws or equitable principles relating to creditors' rights generally and state that no Counsel's Opinion is being rendered as to the availability of any particular remedy;

4. The amounts specified in this 2020 Note Resolution authorizing the Notes to be deposited in any Fund under this 2020 Note Resolution;

5. Such further documents, moneys and securities as the Trustee shall reasonably require for delivery of the Notes.

Section 2.05 The Notes.

1. The Notes shall be dated the date of delivery and shall mature within one (1) year thereof. The Notes shall bear interest computed on the basis of a year of 360 days comprised of 12 months and 30 days each. Principal of and interest on the Notes shall be payable at maturity at the corporate trust office of the Trustee located in Woodland Park, New Jersey. The Notes shall have the terms and provisions as set forth in Exhibit "A" hereto.

2. The Notes shall not be subject to redemption prior to maturity.

3. The proceeds, including accrued interest, if any, of the Notes shall be applied simultaneously with the delivery of the Notes as follows:

(a) there shall be deposited into the Cost of Issuance Fund an amount equal to the amount determined to be necessary to pay for the Costs associated with the issuance of the Notes; and

(b) the balance of the proceeds shall be deposited in the 2019 Debt Service Fund, created pursuant to the 2019 Note Resolution adopted by the Authority on June 18, 2019, and utilized to pay, at maturity, the principal of the 2019 Notes. Any proceeds remaining in the 2019 Debt Service Fund after payment pursuant to this Section shall be deposited into the 2020 Debt Service Funds created pursuant to this 2020 Note Resolution.

4. The Notes shall be in bearer or registered form in the denomination of \$100,000 or any integral multiple thereof in excess of \$100,000, except for an odd denomination as necessary.

Section 2.06 Sale of the Notes. The sale of the Notes is hereby authorized. The Business Manager of the Authority, following consultation with the Chairman and/or Treasurer is hereby designated to be an Authority Officer, charged by this 2020 Note Resolution with the responsibility for: (i) issuing and selling the Notes and determining, among other things, the amount of the Notes to be issued (not to exceed \$440,000); (ii) determining the time of sale of the Notes, the purchaser of the Notes, the maturity date of such Notes and the provisions pertaining to sinking funds established therefor, the rate or rates of interest for such Notes (provided that, without further approval, the net interest cost on the Notes shall not exceed six per centum (6.00%) per annum); and (iii) determining 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

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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 2020 Note Resolution and the issuance and sale of the Notes.

Section 2.07 Execution of Notes. Each Note shall be executed in the name and on behalf of the Authority by the facsimile or manual signature of its Chairman or Vice Chairman and the corporate seal of the Authority shall be thereunto affixed, imprinted or otherwise reproduced and attested by the facsimile or manual signature of its Secretary. Any Note may be signed, sealed or attested on behalf of the Authority by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of such Note such person may not have held such office. Further, if any person who shall have signed or sealed any Note shall have ceased to be an Authority Officer before the Note so signed and sealed shall have been authenticated and delivered by the Trustee, such Note may, nevertheless be authenticated and delivered as herein provided, and may be issued as if the persons who signed and sealed such Note had not ceased to hold such offices.

Section 2.08 Authentication of Notes. Each Note shall bear thereon a certificate of authentication, substantially in the following form and manually executed by or on behalf of the Trustee.

"CERTIFICATE OF AUTHENTICATION

The Note is one of the issue of Notes described in the within-mentioned Resolution such Note being designated as "The Carneys Point Township Sewerage Authority, Sewer Project Notes, Series 2020". Accompanying this Note is the complete text of the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, a signed original of which is on file with the undersigned and delivered and dated the date of original delivery of and payment for this Note.

The Bank of New York Mellon, as Trustee

By: _____
Authorized Officer"

Only such Notes as shall bear thereon such certificate of authentication, duly executed, shall be entitled to any security, right or benefit under this 2020 Note Resolution. No Note shall be valid or obligatory for any purpose unless such certificate of authentication upon such Note shall have been duly executed by or on behalf of the Trustee. Such certificate of authentication by the Trustee upon any Note executed as herein provided on behalf of the Authority shall be conclusive and the only evidence that the Note so authenticated has been duly authenticated and delivered under this 2020 Note Resolution and that the Holder thereof is entitled to the benefit of this 2020 Note Resolution.

Section 2.09 Ownership of Notes. The Authority and any Fiduciary may treat and consider the bearer of any Note as the Holder and absolute owner thereof, whether or not such Note shall have matured, for the purpose of receiving payment of the principal thereof and for all other purposes and neither the Authority nor any Fiduciary shall be affected by any notice to the

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contrary. All payments made as provided in this Section 2.09 shall be valid and effectual to satisfy and discharge the liability upon the several Notes to the extent of the sum or sums so paid.

Section 2.10 Notes Mutilated, Destroyed, Stolen or Lost. In case any Note shall become mutilated or be destroyed, stolen or lost, the Authority shall, upon the written request of the Holder, execute, and thereupon the Trustee shall authenticate and deliver, a new Note, with a new replacement number, not similar to that of any Outstanding Note of like designation, maturity, interest rate and principal amount as the Note so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Note upon surrender and cancellation of such mutilated Note or in lieu of and substitution for the Note destroyed, stolen or lost. Such replacement or exchange shall only be made upon filing with the Trustee evidence satisfactory to the Authority and the Trustee that such Note, if any, has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Authority or the Trustee may prescribe and paying such expenses as the Authority and Trustee may incur in connection therewith. All such Notes so surrendered to the Trustee shall be cancelled by it and destroyed.

ARTICLE III

**SECURITY FOR NOTES; APPLICATION OF PROCEEDS AND
CREATION OF FUNDS**

Section 3.01 Pledge Effected by This 2020 Note Resolution.

1. The Notes are secured as to the payment of the principal thereof and interest thereon in accordance with their provisions and the provisions of this 2020 Note Resolution by: (i) the proceeds from the sale of the Notes; (ii) moneys on deposit in all Funds established by this 2020 Note Resolution including the investments, if any, thereof; and (iii) the Revenues. In the event that such proceeds of sale of the Notes, Revenues and other moneys and securities are not available or are insufficient, the Notes are also secured as to payment of the principal thereof and interest thereon by the Annual Charges in accordance with the provisions of the Service Agreement pursuant to which the Township is required to provide the amounts necessary to pay or provide for the expenses of operation and maintenance of the System, including insurance, renewals, replacements, extensions, enlargements, alterations and betterments and the principal of and interest on any and all bonds, notes or other evidences of indebtedness issued by the Authority as the same become due. The Authority has no power to levy or collect taxes.

2. Such proceeds from the sale of the Notes, the Revenues, other moneys and securities and the Annual Charges hereby pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof.

3. Nothing contained in this 2020 Note Resolution shall be construed to prevent the Authority from acquiring, constructing or financing through the issuance of its bonds, notes or other evidences of indebtedness any facilities which do not constitute a part of the Project for the

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purposes of this 2020 Note Resolution or from securing such bonds, notes or other evidences of indebtedness by a pledge of, or other security interest in, the Revenues therefrom or any lease or other agreement with respect thereto or any revenues derived from such lease or other agreement.

4. The Authority expressly reserves the right to adopt one or more resolutions separate and apart from this 2020 Note Resolution and reserves the right to issue bonds or other obligations of the Authority under such resolutions for any of its authorized purposes, including the financing of the cost of any project, facility or undertaking permitted by the Act and to secure such bonds, notes or other evidences of indebtedness by a pledge of, or other security interest in, the Revenues therefrom.

5. The Township shall, to the extent it makes any payment(s) pursuant to the terms of the Service Agreement, which payment(s) is to be applied to the payment of principal of and/or interest on the Notes, become subrogated to the rights of the Holders.

6. The Authority hereby acknowledges and agrees that the Township is a third party beneficiary of this 2020 Note Resolution. To the extent the Township makes any payment(s) pursuant to the terms of the Service Agreement, which payment(s) is to be applied to the payment of principal of and/or interest on the Notes, the Township shall become entitled to and have the right to exercise the rights and privileges of the Noteholders under this 2020 Note Resolution.

Section 3.02 Establishment of Funds and Accounts. The following Funds are hereby established:

- (1) the Cost of Issuance Fund to be held by the Trustee, and
- (2) the Debt Service Fund to be held by the Trustee.

Section 3.03 Cost of Issuance Fund.

1. There shall be paid into the Cost of Issuance Fund the amounts required to be so paid by the provisions of this 2020 Note Resolution and the Authority's Receipt for the Purchase Price of the Notes and Application of Proceeds executed upon closing of the Notes by the Business Manager of the Authority pursuant to Section 2.05 hereof.

2. Notwithstanding any of the other provisions of this Section 3.03, to the extent that other moneys are not available therefor, amounts in the Cost of Issuance Fund shall be applied to the payment of principal of and interest on the Notes when due.

Section 3.04 Debt Service Fund. There shall be paid into the Debt Service Fund: (i) the amounts required to be so paid by the provisions of this 2020 Note Resolution and the Authority's Receipt for the Purchase Price of the Notes and Application of Proceeds executed upon closing of the Notes by the Business Manager of the Authority pursuant to Section 2.06 hereof; and (ii) sufficient moneys in the amounts and in the manner necessary to satisfy the requirements of Section 4.02 hereof. The Trustee shall pay out of the Debt Service Fund to the Noteholders the amount required for the principal of and interest payable on the Notes on the due date.

Section 3.05 Depositories.

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1. All moneys held by the Trustee or the Authority under the provisions of this 2020 Note Resolution shall constitute trust funds and the Trustee or the Authority may deposit such moneys with one or more Depositories in trust for the Trustee or the Authority. All moneys deposited under the provisions of this 2020 Note Resolution with the Trustee or any Depository shall be held in trust and applied only in accordance with the provisions of this 2020 Note Resolution, and each of the Funds established by this 2020 Note Resolution shall be a trust fund for the purposes thereof.

2. Each Depository shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of this 2020 Note Resolution.

Section 3.06 Deposits.

1. All moneys held by any Depository may be deposited by such Depository in its commercial banking department on demand or, if and to the extent directed by the Authority and acceptable to such Depository, on time deposit, provided that such moneys on deposit be available for use at the time when needed. Such Depository shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as is required by law.

2. All moneys held under this 2020 Note Resolution by the Trustee or any Depository shall be (a) either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described in clause (a), of the definition of "Investment Obligations" in Section 1.02 having a market value (exclusive of accrued interest) not less than the amount of such moneys, and (b) held in such other manner as may then be required by applicable federal or state laws and regulations and applicable state laws and regulations of the state in which the Trustee or such Depository (as the case may be) is located, regarding security for, or granting a preference in the case of, the deposit of trust funds in order that the Trustee has a first priority, perfected security interest in such securities; provided, however, that it shall not be necessary for the Fiduciary to give security under this subsection 2 for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or interest on any Notes, or for the Trustee or any Depository to give security for any moneys which shall be represented by obligations or certificates of deposit purchased as an investment of such moneys.

3. All moneys deposited with the Trustee and each Depository shall be credited to the particular Fund to which such moneys belong.

Section 3.07 Investment of Certain Funds.

1. Moneys held in the Debt Service Fund shall be invested and reinvested by the Trustee to the fullest extent practicable in Investment Obligations which mature no later than one (1) business day prior to such time as shall be necessary to provide moneys when needed for payments to be made from such Fund. Moneys held in the Cost of Issuance Fund may be invested and reinvested in Investment Obligations which mature not later than such times as shall be

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necessary to provide moneys when needed for payments to be made from such Fund. The Trustee shall make all such investments of moneys held by it in accordance with written instructions received from any Authority Officer.

Although the Authority recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Authority hereby agrees that confirmations of permitted investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

2. Interest earned on any moneys or investments in the Cost of Issuance Fund shall be held in such Fund.

3. Nothing in this 2020 Note Resolution shall prevent any Investment Obligations acquired as investments of or security for funds held under this 2020 Note Resolution from being issued or held in book entry form on the books of the Department of the Treasury of the United States.

Section 3.08 Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any Fund created under the provisions of this 2020 Note Resolution shall be deemed at all times to be a part of such Fund and any profit realized from the liquidation of such investment shall be credited to such Fund, and any loss resulting from the liquidation of such investment shall be charged to the respective Fund.

In computing the amount in any Fund created under the provisions of this 2020 Note Resolution for any purpose provided in this 2020 Note Resolution, obligations purchased as an investment of moneys therein shall be valued upon the maturity of the Notes at the Amortized Value of such obligations or the market value thereof, whichever is lower, exclusive of accrued interest.

ARTICLE IV

COVENANTS OF THE AUTHORITY

Section 4.01 Effect of Covenants. The Authority hereby particularly covenants and agrees with the Trustee and with the Holders of the Notes and makes provisions which shall be a part of the contract with such Holders, to the effect and with the purpose set forth in the following Sections of this Article IV. The provisions of this Article IV shall be effective from and after the time of the delivery by the Trustee of the Notes authenticated and delivered under this 2020 Note Resolution.

Section 4.02 Payment of Notes. The Authority shall duly and punctually pay or cause to be paid the principal of the Notes and the interest thereon, at the date and place and in the manner mentioned in the Notes according to the true intent and meaning thereof.

Section 4.03 Extension 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 payment of any claims for

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interest by the purchase or funding of such Notes, and in the case that maturity of any of the Notes or the time for payment of any such claims for interest shall be so extended, such Notes or claims for interest shall not be entitled in case of any default under this 2020 Note Resolution to the benefit of this 2020 Note Resolution or to any payment out of any assets of the Authority or the moneys (except moneys held in trust for the payment of those particular Notes or claims for interest pursuant to this 2020 Note Resolution) held by any Fiduciary, except subject to the prior payment of the principal of all Outstanding Notes, the maturity of which has occurred and 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 4.04 Further Assurances. At any and all times the Authority shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolution, act, deed, conveyance, assignment, transfer and assurance as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming of all and any singular rights, Revenues and other moneys, securities and funds hereby pledged or assigned or intended so to be, or which the Authority may hereafter become bound to pledge or assign, or as may be reasonable and required to carry out the purposes of this 2020 Note Resolution and comply with the Act. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other funds pledged hereunder and all the rights of the Noteholders hereunder against all claims and demands of all persons whomsoever.

Section 4.05 Powers as to Notes and as to Pledge. The Authority is and will be duly authorized under the Act and all applicable laws to create and issue the Notes and to adopt this 2020 Note Resolution and to pledge the Revenues and other moneys, securities and funds purported to be pledged by this 2020 Note Resolution in the manner and to the extent provided in this 2020 Note Resolution. The Notes and the provisions of this 2020 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 2020 Note Resolution.

Section 4.06 Powers as to Project. The Authority has, and will have so long as any Notes remain Outstanding, good right and lawful authority to complete the Project subject, however, to the provisions of the Act.

Section 4.07 Indebtedness and Liens. Nothing contained herein shall prohibit the Authority from issuing any bonds, notes or other evidences of indebtedness secured by any pledge of or other lien or charge on the Revenues or other moneys, securities or funds paid or to be paid to or held or to be held by the Authority or any Fiduciary under this 2020 Note Resolution. Nothing contained herein shall be construed to prevent the Authority from creating or causing to be created superior or subordinated liens to the Notes.

Section 4.08 Insurance and Reconstruction. The Authority shall at all times maintain with responsible insurers all such insurance as is customarily maintained with respect to projects of like character as the Project against loss of or damage to the Project and against public and other liability to the extent reasonably necessary to protect the interests of the Authority and the Noteholders. If any useful part of the Project shall be damaged or destroyed, the Authority shall, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged property so as to restore the same to use. The proceeds of any such insurance shall be paid to the Trustee and (except for proceeds of use and occupancy insurance) shall be held in

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the Debt Service Fund and applied to the necessary costs involved in such repair and replacement and, to the extent not so applied shall (together with proceeds of any such use and occupancy insurance) be deposited by the Authority as Revenues. The policies or evidences of insurance described in this Section 4.08 shall be held by the Authority.

Section 4.09 Conditions Precedent. Upon the date of issuance of any of the Notes, all conditions, acts and things required by the constitution or statutes of the State or by the Act or the Note, or this 2020 Note Resolution to exist, to have happened or to have been performed precedent to or in the issuance of such Notes shall exist, have happened and have been performed, and such Notes, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by said constitution or statutes.

Section 4.10 General. The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act or this 2020 Note Resolution in accordance with the terms of such provisions.

ARTICLE V

AMENDMENTS

Section 5.01 Publication of Notices. Any provision in this Article V relative to publication of a notice or other matter shall be fully complied with if it is published only in an Authorized Newspaper.

Section 5.02 Directions as to Publications. Whenever in this 2020 Note Resolution publications in successive weeks are referred to, such successive weeks shall each be deemed to begin with Sunday and such publications shall be sufficient if made on any day or days of such successive weeks. Whenever in this 2020 Note Resolution publications in an Authorized Newspaper on successive dates are referred to or implied, such publications need not all be made in the same Authorized Newspaper and shall be sufficient if made on such successive dates in any Authorized Newspaper published in the same municipality.

Section 5.03 Powers of Amendment. Subject to the provisions of Section 5.07, any modification or amendment of this 2020 Note Resolution and of the rights and obligations of the Authority and of the Holders of the Notes, in any particular, may be made by a supplemental resolution with the written consent, given as provided in Section 5.04, of the Holders of at least two-thirds in principal amount of the Notes at the time such consent is given, provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Notes of any specified like maturity and interest rate remain Outstanding, or provided an opinion of Parker McCay, bond counsel ("Bond Counsel") addressed to the Trustee opines that such amendment will not adversely affect the holders of the Notes, the consent of the Holders of such Notes shall not be required and such Notes shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Notes under this Section 5.03; and provided, further, that no such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Note or a reduction in the principal amount or the rate of interest thereon without the consent of the

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Holder of such Note, or shall reduce the percentages or otherwise affect the description of the Notes the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of its written assent thereto. For the purposes of this Section 5.03, the Notes shall be deemed to be affected by a modification or amendment of this 2020 Note Resolution if the same adversely affects or diminishes the rights of the Holders thereof against the Authority or the Revenues or any moneys, securities or funds pledged under this 2020 Note Resolution. Any amendments that adversely affect the rights, protections, privileges and immunities of the Trustee shall not be entered into without the written consent of the Trustee.

Section 5.04 Consent of Noteholders. Subject to the provisions of Section 5.07, the Authority may at any time adopt and file a resolution of the Authority making a modification or amendment permitted by the provisions of Section 5.03 hereof, to take effect when and as provided in this Section 5.04. A copy of such resolution, together with a request to the Noteholders for their consent thereto, shall be published at least once a week for two (2) successive weeks. Such resolution shall not be effective unless and until, and shall take effect in accordance with its terms when: (1) there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Notes specified in Section 5.03, and (b) a Counsel's Opinion (which shall be addressed to the Authority, the Trustee and the Township) stating that such resolution has been duly and lawfully adopted by the Authority in accordance with the provisions of this 2020 Note Resolution, is authorized or permitted by the provisions of this 2020 Note Resolution, and when effective, will be valid and binding upon the Authority and enforceable in accordance with its terms, and (2) a notice shall have been published as hereinafter in this Section 5.04 provided. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Notes with respect to which such consent is given, which proof shall be such as is permitted by Section 9.01 hereof. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 9.01 hereof shall be conclusive that the consents have been given by the Holders of the Notes described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Notes giving such consent and upon any subsequent Holder of such Notes and of any Notes issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), but, notwithstanding the provisions of Section 9.01 hereof, such consent may be revoked in writing by the Holder of such Notes giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to but not later than the time when the written statement of the Trustee hereinafter in this Section 5.04 provided for is filed, such a revocation and, if such Notes are transferable by delivery, proof that such Notes are held by the signer of such revocation in the manner permitted by Section 9.01 hereof. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Trustee to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of Notes shall have filed their consents to such resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that the Holders of such required percentages of Notes have filed and given such consents. Such written statement shall be conclusive that such consents have been so filed and have been given. At any time thereafter notice, stating in substance that such resolution (which may be referred to as a resolution adopted by the Authority on a stated date a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Notes and will be effective as provided in this Section 5.04, may be given to Noteholders by the Authority by mailing such notice to Noteholders

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(but failure to make such notice shall not prevent such resolution from becoming effective and binding as provided in this Section 5.04) and by publishing the same at least once not more than ninety (90) days after the Holders of the required percentages of Notes shall have filed their consents to such resolution and the written statement of the Trustee hereinabove provided for is filed. The Authority shall file with the Trustee proof of the publication of such notice. A record, consisting of the papers required or permitted by this Section 5.04 to be filed with the Trustee shall be proof of the matters therein stated. Such resolution making such modification or amendment shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Holders of all Notes at the expiration of forty (40) days after the filing with the Trustee or proof of the first publication of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such resolution in a legal action or equitable proceeding for such purpose commenced within such forty (40) day period; provided, however, that any Fiduciary and the Authority during such forty (40) day period and any further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such resolution as they may deem expedient.

Section 5.05 Exclusion of Notes. Notes owned or held by or for the account of the Authority shall be excluded and shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Notes provided for in this Article V, and the Authority shall not be entitled with respect to such Notes to give any consent or take any other action provided for in this Article V. At the time of any consent or other action taken under this Article V, the Authority shall furnish the Trustee with a certificate of an Authority Officer, upon which the Trustee may rely, describing all Notes to be so excluded.

Section 5.06 Notation on Notes. Notes authenticated and delivered after the effective date of any action taken as provided in this Article V may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to such action, and in that case upon demand of the Holder of any Outstanding Note at such effective date and presentation of such Note for that purpose at the principal corporate trust office of the Trustee suitable notation shall be made on such Note by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Notes so modified as in the opinion of the Trustee and the Authority to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Note then Outstanding shall be exchanged, without cost to such Noteholder, for Notes of the same designation, maturity and interest rate then Outstanding, upon surrender of such Notes.

Section 5.07 Amendments Prior to Issuance. Notwithstanding anything in this 2020 Note Resolution to the contrary, this 2020 Note Resolution may, prior to the issuance of the Notes, be amended by certification executed by the Business Manager of the Authority, provided, however, such amendment authorized under this Section 5.07 may not increase the principal amount of Notes authorized to be issued or alter the security or sources of payment therefor. To become effective, said amendment shall be accompanied by an opinion of Bond Counsel (which shall be addressed to the Authority, the Trustee and the Township) to the effect that such amendment complies with the requirements of this Section 5.07 of the 2020 Note Resolution and filed with the Trustee.

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ARTICLE VI

REMEDIES ON DEFAULT

Section 6.01 Power of Trustee. The Authority hereby determines that there shall be, and there hereby are, vested in the Trustee, in addition to all its property, rights, powers and duties mentioned or referred to in any other provision of this 2020 Note Resolution, the rights, powers and duties in this Article VI provided in trust for the Noteholders.

Section 6.02 Events of Default. Each of the following shall constitute an event of default under this 2020 Note Resolution and is hereby called an "Event of Default", that is to say, in case:

1. interest on the Notes shall become due and shall not be paid, or the principal of the Notes shall become due at maturity and shall not be paid on said date; or
2. subject to the provisions of this Section 6.02, a default shall be made in the observance or performance of any covenant, contract or other provision contained in the Notes or this 2020 Note Resolution and such default shall continue for a period of ninety (90) days after written notice to the Authority from a Noteholder or from the Trustee specifying such default and requiring the same to be remedied; or
3. if judgment for the payment of money shall be rendered against the Authority as the result of the construction, improvement, ownership, control or operation of the Project, and any such judgment shall not be discharged within ninety (90) days after the entry thereof, or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, or order, decree or process or the enforcement thereof; and/or
4. if there shall occur the dissolution or liquidation of the Authority or the filing by the Authority of a voluntary petition in bankruptcy, or the commission by the Authority of any act of bankruptcy, or adjudication of the Authority as a bankruptcy, or assignment by the Authority for the benefit of its creditors, or the entry by the Authority into an agreement of compromise with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Authority in any proceeding for its reorganization instituted under the provisions of the federal bankruptcy act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

Section 6.03 Enforcement by Trustee. Upon the happening and continuance of an Event of Default described in any of the clauses of Section 6.02 hereof, the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the Holders of all Notes, may proceed, and upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Notes and upon receipt by the Trustee of indemnity satisfactory to it, shall proceed, subject to the provisions of Section 6.02, to protect and enforce its rights and any rights of the Holders and, to the full extent that the Holders of such Notes themselves might do, the rights of such Noteholders under the laws of the State or under this 2020

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Note Resolution by such suits, actions or proceedings in equity or at law, either for the specific performance of any covenant or contract contained herein or in aid or execution of any power herein granted or for any proper legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce the rights aforesaid.

Section 6.04 Representation of Noteholders by Trustee. The Trustee is hereby irrevocably appointed (and the Noteholders, by accepting and holding the same, shall be conclusively deemed to have so appointed the Trustee and to have mutually covenanted and agreed, each with the other, not to revoke such appointment) the true and lawful attorney-in-fact of the Noteholders with power and authority, at any time in its discretion:

1. Pursuant to this 2020 Note Resolution or the Act or any law, after the happening of an Event of Default, (a) by action in lieu of mandamus or other prerogative writ or by other suit, action or proceeding in equity or at law, to enforce all rights of the Noteholders including the right to require the Authority and the members and officers thereof to prescribe and calculate rates for and collect Service Charges adequate to carry out and fulfill any covenant or agreement herein with respect to the same and to require the Authority and such members and officers to carry out and fulfill any other covenant or agreement with the Noteholders and to perform its and their duties under this 2020 Note Resolution and the Act, (b) to bring suit upon the Notes, (c) by action or suit in equity, to require the Authority to account as if it were a trustee of an express trust for the Noteholders, or (d) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the Noteholders; and

2. To make and file in any proceeding in bankruptcy or judicial proceeding for the reorganization or liquidation of the affairs of the Authority either in the respective names of the Noteholders or on behalf of all the Noteholders as a class, any proof of debt, amendment of proof of debt, petition or other document, to receive payment of any sums becoming distributable to the Noteholders, and to execute any other papers and documents and do, and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Noteholders against the Authority allowed in any bankruptcy or other proceeding.

Section 6.05 Limitation on Powers of Trustee. Nothing contained in this 2020 Note Resolution shall be deemed to give power to the Trustee either as such or as attorney-in-fact of the Noteholders to vote the claims of the Noteholders in any bankruptcy proceeding or to accept or consent to any plan of reorganization, readjustment, arrangement or compromise or other like plan, or by other action of any character to waive or change any right of any Noteholder or to give consent on behalf of any Noteholder to any modification or amendment of this 2020 Note Resolution requiring such consent or to any resolution requiring such consent pursuant to the provisions herein.

Section 6.06 Action by Trustee.

1. All rights of action under this 2020 Note Resolution or upon any of the Notes enforceable by the Trustee, may be enforced by the Trustee without the possession of any of the Notes or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee may be brought in its name for the ratable benefit of the Holders of said Notes subject to the provisions of this 2020 Note Resolution.

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2. In the enforcement of any rights under this 2020 Note Resolution, the Trustee shall be entitled to sue for, enforce payment of and to receive any and all amounts then or during any default becoming, and at any time remaining, due for principal, interest or otherwise under any of the provisions of the Act or this 2020 Note Resolution or of the Notes and unpaid, with interest on overdue payments, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Notes, without prejudice to any other right or remedy of the Trustee or of the Noteholders, and to recover and enforce judgment or decree against the Authority for any portion of such amounts remaining unpaid, with interest, costs and expenses as aforesaid, and to collect in any manner provided by law, the moneys adjudged or decreed to be payable.

3. In any action, suit or other proceeding by the Trustee, the fees, counsel fees and expenses of the Trustee shall constitute taxable costs and disbursements, and all costs and disbursements, allowed by the court, shall be a first charge on the Revenues.

Section 6.07 Accounting and Examination of Records after Default. The Authority covenants with the Trustee that, if an Event of Default shall have happened and shall not have been remedied; (i) the books of record and account of the Authority and all records, relating to the Project shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys; and (ii) the Authority, whenever the Trustee shall demand, will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds pledged or held under this 2020 Note Resolution for such period as shall be stated in such demand.

Section 6.08 Restriction on Noteholder's Action.

1. No Holder of any Note shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision of this 2020 Note Resolution or for the execution of any trust hereunder or for any other remedy hereunder, unless: (i) (a) such Holder previously shall have given to the Authority and the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (b) after the occurrence of such Event of Default, written request shall have been made of the Trustee to institute such suit, action or proceeding by the Holders of not less than twenty-five per centum (25%) in principal amount of the Notes then Outstanding or, if such Event of Default is an Event of Default described in clause (1) of Section 6.02 hereof, by the Holders of not less than twenty-five per centum (25%) in principal amount of the Notes and there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs and liabilities to be incurred therein or thereby, and (c) the Trustee shall have refused or neglected to comply with such request within a reasonable time, or (ii) (a) such Holder previously shall have obtained the written consent of the Trustee to the institution of such suit, action or proceeding, and (b) such suit, action or proceeding is brought for the ratable benefit of all Holders of all Notes, subject to the provisions of this 2020 Note Resolution.

2. No Holder of any Note shall have any right in any manner whatever by his action to affect, disturb or prejudice the pledge of Revenues or of any other moneys, funds or securities hereunder, or, except in the manner and on the conditions provided in this Section 6.08, to enforce any right or duty hereunder.

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Section 6.09 Application of Moneys after Default.

1. The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay over to the Trustee: (i) forthwith, all moneys, securities and funds then held by the Authority in any Fund under this 2020 Note Resolution, and (ii) as promptly as practicable after receipt thereof, all Revenues sufficient to pay the obligations set forth in this Section 6.09.

2. During the continuance of the Event of Default, the Trustee shall apply such moneys, securities, funds and Revenues and the income therefrom as follows and in the following order:

(i) to the payment of the reasonable and proper charges, expenses and liabilities of the Trustee;

(ii) to the payment of the interest and principal then due on the Notes, as follows:

(a) unless the principal of all of the Notes shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

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

(b) if the principal of all of the Notes shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Notes without preference or priority of principal over interest or of interest over principal, or of any installments of interest over any other installment of interest, or of any Note over any other Note, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

3. If and whenever all overdue installments of interest on all Notes, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums payable by the Authority under this 2020 Note Resolution, including the principal of and accrued unpaid interest on all Notes which shall then be payable by declaration or otherwise, shall either be paid by or for the account of the Authority, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under this 2020 Note Resolution or the Notes shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall

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be made therefor, the Trustee shall pay over to the Authority all moneys, securities, funds and Revenues then remaining unexpended in the hands of the Trustee (except moneys, securities, funds or Revenues, to be deposited or pledged, with the Trustee), and thereupon the Authority and the Trustee shall be restored, respectively, to their former positions and rights under this 2020 Note Resolution, and all Revenues shall thereafter be applied as provided in Article III. No such payment over to the Authority by the Trustee or resumption of the application of Revenues as provided in Article III shall extend to or affect any subsequent default under this 2020 Note Resolution or impair any right consequent thereon.

4. To the extent the Township makes any payment(s) pursuant to the terms of the Service Agreement, which payment(s) is to be applied to the payment of principal of and/or interest on the Notes, all moneys which are received by the Trustee pursuant to the remedies provided under Article VI of this 2020 Note Resolution shall be deposited in the Debt Service Fund (after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and after payment of the fees, expenses, liabilities and advances which have been incurred or made by the Trustee, including legal fees), and all moneys which are on deposit in the various Funds established under this 2020 Note Resolution shall be applied, first, to reimburse the Township for all payments made by it, of the principal of and interest on the Notes pursuant to its obligations hereunder.

Section 6.10 Remedies Not Exclusive. No remedy by the terms of this 2020 Note Resolution conferred upon or reserved to the Trustee (or to Noteholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute, except as provided in subsection 1 of Section 6.04 and in Section 6.08 hereof.

Section 6.11 Control of Proceedings. In the case of an Event of Default described in Section 6.02 hereof, the Holders of a majority in principal amount of the Notes then Outstanding shall have the right, subject to the provisions of Section 6.08 hereof, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee; provided, however, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to Noteholders not parties to such direction.

Section 6.12 Effect of Waiver and Other Circumstances. No delay or omission of the Trustee or of any Holder of Notes to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein, and every right, power and remedy given by this 2020 Note Resolution to them or any of them may be exercised from time to time and as often as may be deemed expedient by the Trustee or, in an appropriate case, by the Noteholders. In case the Trustee shall have proceeded to enforce any right under this 2020 Note Resolution, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Authority and the Trustee shall be restored to their former

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positions and rights hereunder with respect to all rights, remedies and powers of the Trustee, which shall continue as if no such proceedings had been taken.

Section 6.13 Right to Enforce Payment of Notes Unimpaired. Nothing contained in this Article VI shall affect or impair the right of any Noteholder to enforce the payment of the principal of and interest on the Notes, or the obligation of the Authority to pay the principal of and interest on each Note to the Holder thereof at the time and place expressed in said Note.

Section 6.14 Notice of an Event of Default. The Authority hereby covenants that it shall provide, or shall cause the Trustee to provide, written notice to the Chief Financial Officer of the Township immediately upon the occurrence of an Event of Default pursuant to Section 6.02 of this 2020 Note Resolution.

ARTICLE VII

THE FIDUCIARIES

Section 7.01 Acceptance of Trust. The Trustee accepts and shall administer and execute the trusts hereby created, but only upon the additional terms set forth in this Article VII, to all of which the parties hereto and the respective Holders agree.

Section 7.02 Representations Not Made by Trustee. The recitals, statements and representations contained in this 2020 Note Resolution with respect to the Notes, except for the Trustee's authorization and delivery thereof, are made by the Authority and not by the Trustee, and the Trustee shall not be responsible for the correctness thereof.

Section 7.03 Certain Rights of the Trustee. The Trustee may execute any of the trusts or powers created hereby and perform the duties required by it, by or through agents and attorneys, and shall be entitled to rely on advice of counsel concerning its duties hereunder, and shall not be answerable for the default or misconduct of any such counsel or agent selected by it with reasonable care.

The Trustee may construe any provision of this 2020 Note Resolution that may be ambiguous or inconsistent with any other provision hereof, and any such construction made in good faith shall be binding upon others.

Notwithstanding anything contained herein to the contrary, the Trustee agrees to perform the trusts provided for hereunder only upon and subject to the following expressed terms and conditions:

1. The Trustee shall not be accountable for the use or application by the Authority of any of the Notes or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this 2020 Note Resolution or for the use and application of money received by any paying agent.

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2. The Trustee shall not be answerable for other than its negligence or willful misconduct in connection with the performance of its duties hereunder. The permissive right of the Trustee to do things enumerated in this 2020 Note Resolution shall not be construed as a duty hereunder.

3. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Notes, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Notes or for the compliance of the Notes with the requirements of the Internal Revenue Code and related regulations in connection with the issuance and maintenance of the Notes as obligations the interest on which is excluded from gross income for federal income tax purposes.

4. None of the provisions of this 2020 Note Resolution shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

5. The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this 2020 Note Resolution and delivered using Electronic Means (as hereinafter defined); provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling; provided that such understanding is reasonable in light of the Instructions given. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reasonable reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Authority and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to

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it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

6. The Trustee may rely upon the investment directions of any authorized Authority Officer as to both the suitability and legality of any directed investment.

Section 7.04 Compensation for Services. The Authority shall pay to the Trustee reasonable compensation for all services rendered by it hereunder, which may be as set forth in a separate agreement or letter of agreement between the Authority and the Trustee, and also all of its reasonable expenses and charges and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts and the performance of its powers and duties hereunder.

Section 7.05 Indemnification. To the extent permitted by State law, the Authority shall indemnify and save the Trustee harmless against any losses, liabilities or expenses; including, without limitation, reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim that it may incur in the performance of its powers and duties hereunder and not due to its negligence or willful misconduct; provided, however, that this agreement to indemnify the Trustee shall not constitute a waiver or forgiveness of any rights of action the Authority may have against any other party arising out of any acts of any such party that shall have required such indemnification to have been given or made. The Authority shall reimburse the Trustee for all advances made by the Trustee in accordance with any of the provisions of this 2020 Note Resolution.

Section 7.06 Certain Exculpatory Provisions. The Trustee shall be under no duty or obligation to:

(a) indemnify the Authority against losses suffered from any authorized investment of any of the moneys on deposit with it under this 2020 Note Resolution, it being responsible only for the safekeeping of such moneys and of the securities in which said moneys are invested and the collection of interest thereon; or

(b) effect or renew any policy of insurance if the Authority fails to effect or renew such insurance, nor shall the Trustee incur any liability for the failure of the Authority to effect or renew any insurance or to report any claims thereunder.

Section 7.07 Right of Trustee to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered by it hereunder in good faith

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and in accordance therewith. The Trustee shall not be bound to recognize any person as the owner of a Note unless and until such Note is submitted for inspection, if required, and such person's title thereto is satisfactorily established, if disputed. Whenever in the administration of the trusts imposed upon it by this 2020 Note Resolution the Trustee shall deem it necessary or prescribe that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a statement of the Authority, and such statement shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this 2020 Note Resolution in reliance upon such statement, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 7.08 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this 2020 Note Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority and any Noteholder, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions. The Trustee will agree to keep books and records as shall be consistent with prudent industry practice.

Section 7.09 Notice of Default; Right to Investigate. Except upon the failure of the Authority to pay debt service to the Trustee on a full and timely basis, the Trustee shall not be required to take notice or be deemed to have knowledge of the occurrence or continuation of any Event of Default by the Authority unless and until specifically notified in writing of such default by the Authority or by the Holders of at least twenty-five per centum (25%) in aggregate principal amount of the Notes.

The Trustee may at any time in its discretion require of the Authority full information as to the performance of any of the covenants, conditions and agreements herein and may make or cause to be made independent investigations, at the sole expense of the Authority, concerning the Project and the affairs of the Authority insofar as they are related thereto.

Section 7.10 Resignation. The Trustee may resign and be discharged of the trusts hereunder by executing an instrument in writing assigning such trusts, specifying the date when such resignation shall take effect, subject to the appointment of a successor, filing the same with the Secretary of the Authority not less than sixty (60) days before the date specified in such instrument when such resignation shall take effect and giving notice of such resignation by publication at least once each week for two (2) successive calendar weeks in an Authorized Newspaper, the first publication of such notice to appear not less than three (3) weeks prior to the date specified in the notice when such resignation shall take effect. Written notice thereof shall also contemporaneously be mailed, postage prepaid, to the Holders. Such resignation shall take effect on the date specified in such notice or upon any earlier appointment of a successor Trustee as hereinafter provided; provided, however, that no such resignation shall in any event be effective until a successor Trustee shall have agreed to serve as such pursuant Section 7.12 hereof, or pursuant to a court order as provided in Section 7.12 hereof.

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Section 7.11 Removal. The Trustee may be removed with thirty (30) days prior written notice by an instrument duly executed by an Authority Officer and filed with the Trustee and Authority.

Section 7.12 Vacancy in Office; Appointment of Successor. If the Trustee shall be dissolved, or if its property or affairs shall be taken under the control of any State or federal court or administrative body, a vacancy shall forthwith and ipso facto exist in the office of Trustee, and a successor may be appointed by the Holders of a majority in aggregate principal amount of the Notes by an instrument in writing executed by and on behalf of such Holders and filed with the Authority. Copies of each instrument shall be promptly delivered by the Authority to the predecessor Trustee and to the Trustee so appointed.

Until a successor Trustee shall be appointed by the Holders as herein authorized, the Authority, by an instrument in writing, shall appoint a Trustee to fill such vacancy. After an appointment by the Authority, it shall cause notice of such appointment to be published once each week for two (2) consecutive calendar weeks in an Authorized Newspaper and mailed to the Holders. Any new Trustee so appointed by the Authority shall immediately and without further fact be superseded by a Trustee appointed by the Holders in the manner above provided.

If the Trustee shall no longer be serving as such pursuant to the operation of this Section 7.12 and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 7.12 and prior to the date specified, the resigning Trustee or any Holder may forthwith apply to a court of competent jurisdiction for the appointment of a successor Trustee. Such court may thereupon, after such notice (if any shall be required by it as it may deem appropriate) has been given, appoint a successor Trustee as it may deem proper.

Each successor Trustee appointed pursuant to this Article VII shall be an incorporated bank or trust company in good standing, organized or authorized to transact business under the laws of the United States or of the State, be authorized under such laws to exercise corporate trust powers and be subject to supervision or examination by a federal or state authority. The successor Trustee must also have combined capital, surplus and undivided profits of at least \$50,000,000.

Section 7.13 Acceptance of Trust by Successor Trustee. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Authority an instrument accepting such appointment, and thereupon, without any further act, deed or conveyance shall become fully vested with all the estates, property, rights, powers, trusts duties and obligations of its predecessor in the trust with like effect as if originally named Trustee herein. Upon request of such successor Trustee, the predecessor Trustee and the Authority shall execute and deliver an instrument transferring to such successor Trustee all the estate, property, rights, powers and trusts hereunder of the predecessor Trustee, and the predecessor Trustee shall pay over to the successor Trustee all moneys at the time held by it hereunder.

Section 7.14 Funds Held in Trust. All moneys held by any Fiduciary, as such, at any time pursuant to the terms of this 2020 Note Resolution shall be and hereby are assigned, transferred and set over unto such Fiduciary in trust for the purposes and under the terms and conditions of this 2020 Note Resolution.

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Section 7.15 Adoption of Authentication. In case any of the Notes contemplated to be issued under this 2020 Note Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Notes and deliver such Notes so authenticated, and in case any of said Notes shall have not been authenticated, any successor Trustee may authenticate such Notes in the name of the predecessor Trustee or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere provided in said Notes or in this 2020 Note Resolution that the certificate of the Trustee shall have.

Section 7.16 Merger, Consolidation of Trustee. Any bank, corporation or association into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Trustee shall be the successor of the Trustee hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE VIII

TAX MATTERS

Section 8.01 Tax Covenants. The Authority hereby covenants that it will not make any use of the proceeds of the Notes or do or suffer any other action that would cause: (i) the Notes 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 Notes to be included in the gross income of the owners thereof for federal income tax purposes; or (iii) the interest on the Notes to be treated as an item of tax preference under Section 57(a)(5) of the Code.

Section 8.02 Additional Tax Covenants. The Authority hereby covenants as follows: (i) it shall take no action that would cause the Notes to be "federally guaranteed" within the meaning of Section 149(b) of the Code; and (ii) 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 Notes, an amount equal to the rebatable arbitrage earned by investing proceeds of the Notes.

ARTICLE IX

MISCELLANEOUS

Section 9.01 Evidence of Signatures of Noteholders and Ownership of Notes. Any request, consent, revocation of consent or other instrument which this 2020 Note Resolution may require or permit to be signed and executed by Noteholders may be in one (1) or more instruments of similar tenor, and shall be signed or executed by such Noteholders in person or by their

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attorneys duly authorized in writing. Proof of: (i) the execution of any such instrument, or of an instrument appointing or authorizing any such attorney; or (ii) the holding by any person of any Notes shall be sufficient for any purpose of this 2020 Note Resolution if made in the following manner or in any other manner satisfactory to the Trustee 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 Noteholder, or his attorney, of any such instrument may be proved by: (i) a certificate of a notary public or other officer authorized to take acknowledgment of deeds to be recorded in the state which he purports to act that the person signing such instrument acknowledged to him the execution, thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer, or (ii) certificates which need not be acknowledged or verified, of an officer of a bank, trust company of financial firm or corporation (including members of the National Association of Securities Dealers, Inc.) satisfactory to the Trustee that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

2. The authority of a person or persons to execute any such instrument on behalf of a corporation Noteholder may be established without further proof if such instrument is signed by a person purporting to be the chairman or a vice chairman of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

3. The amount of Notes transferable by delivery held by any person executing any such instrument as a Noteholder, and the numbers and other identification thereof, and the date of his holding such Notes, may be proved by a certificate, which need not be acknowledged or verified, of an officer of a bank, trust company, financial firm or corporation (including members of the National Association of Securities Dealers, Inc.) or other depository satisfactory to the Trustee, showing that at a date therein mentioned such person exhibited to or had on deposit with such bank, trust company, firm, corporation or depository, Notes described or referred to in such certificate; and such a certificate may be made and given by an officer or member of any bank, trust company, insurance company or financial firm or corporation satisfactory to the Trustee with respect to Notes held by it, if acceptable to the Trustee.

Section 9.02 Moneys held for Particular Notes. The amounts held by any Fiduciary for the payment of the interest or principal due on their due date with respect to the Notes shall, pending such payment, be set aside and held in trust by it for the Holders of the Notes entitled thereto, and for the purposes of this 2020 Note Resolution such interest or principal after the due date thereof, shall no longer be considered to be unpaid.

Section 9.03 Cancellation of Notes. All Notes purchased, redeemed or paid by the Authority or by any Fiduciary, as such, shall be cancelled by it and delivered to the Trustee. All such Notes and all other Notes cancelled by any Fiduciary and delivered to the Trustee pursuant to this 2020 Note Resolution may be destroyed by the Trustee and a certificate thereof delivered to the Authority. No Notes cancelled as aforesaid shall be deemed Outstanding under this 2020 Note Resolution and no Notes shall be issued in lieu thereof.

Section 9.04 Preservation and Inspection of Documents. All reports, certificates, statements, and other documents received by a Fiduciary under the provisions of this 2020 Note

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Resolution shall be retained in its possession and shall be available at all reasonable times to the inspection of the Authority, and any other Fiduciary or any Noteholder, and their agents and their representatives, any of whom may make copies thereof, but any such reports, certificates, statements or other documents may at the election of such Fiduciary, be destroyed or otherwise disposed of at any time six (6) years after such date as the pledge of the Revenues created by this 2020 Note Resolution shall be discharged.

Section 9.05 Form of Notes. The Notes shall be substantially in the form attached hereto as Exhibit "A" with such changes, insertions, opinions or variations as counsel or bond counsel to the Authority may advise, and the Chairman or Vice Chairman of the Authority shall approve, such approval to be conclusively evidenced by the executed Note or Notes by the Chairman or Vice Chairman of the Authority.

Section 9.06 Defeasance.

1. If the Authority shall pay or cause to be paid to the Holders of the Notes, the principal of and interest, if any, to become due thereon, at the times and in the manner stipulated therein and in this 2020 Note Resolution, then, at the option of the Authority expressed in a certificate signed by an Authority Officer delivered to the Trustee, the pledge of the Revenues and other moneys, securities and funds hereby pledged and the covenants, agreements and other obligations of the Authority to the Noteholders hereunder shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority expressed in a certificate signed by an Authority Officer delivered to the Trustee, execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciary shall pay over or deliver to the Authority all money or securities held by them pursuant to this 2020 Note Resolution which are not required for the payment of Notes not theretofore surrendered for such payment.

2. Any Notes appertaining thereto for the payment of which moneys shall have been deposited with the Trustee by or on behalf of the Authority, whether at or prior to the maturity date of the Notes, shall be deemed to have been paid within the meaning of this Section 9.06. No moneys so deposited with the Trustee shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of the Notes for the payment of which they were deposited and the interest accrued thereon to the date of maturity, excepting only that: (a) any money so held by the Trustee for the payment to the Holders of any particular Notes of principal of, or interest on, such Notes shall be invested by the Trustee, upon receipt of a copy of a resolution of the Authority, certified by the Secretary, authorizing such investment, in such Investment Obligations as the Authority may approve, provided that a principal amount of such Investment Obligations at least equal to the amount of money required for the payment on any future date of the interest on or principal of such Notes shall mature on or before said future date, and (b) all interest on all such investments shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien or pledge.

3. As an alternative cumulative to and not excluding the provisions of subsection 2 of this Section 9.06, any Notes or interest installments appertaining thereto, whether at or prior to the maturity of such Notes, shall be deemed to have been paid within the meaning of this Section 9.06 if there shall have been deposited with the Trustee by or on behalf of the Authority either moneys

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in an amount which shall be sufficient, or Investment Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal and interest due and to become due on said Notes on and prior to the maturity dates thereof. Neither the Investment Obligations or any moneys so deposited with the Trustee nor any moneys received by the Trustee on account of principal of or interest on said Investment Obligations shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of the Notes for the payments of which they were deposited and the interest accrued thereon to the date of maturity. In determining the sufficiency of the moneys and/or Investment Obligations deposited pursuant to this subsection (3) of this Section 9.6, the Trustee shall be entitled to receive, at the expense of the Authority, and may rely on a verification report of a firm of nationally recognized independent certified public accountants.

4. If, through the deposit of moneys by the Authority with the Trustee or otherwise, the Fiduciaries shall hold, pursuant to this 2020 Note Resolution, moneys sufficient to pay the principal of and interest to maturity on the Notes, then at the request of the Authority expressed in a certificate of an Authority Officer delivered to the Trustee, all such moneys so held and, together with other moneys held by it hereunder, shall be held by the Trustee for the payment of the Notes.

5. Anything in this 2020 Note Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of the Notes which remain unclaimed for six (6) years after the date when such Notes have become due and payable, if such moneys were held by the Fiduciary at said date, or for six (6) years after the date of deposit of such moneys if deposited with the Fiduciary after said date when such Notes become due and payable, shall, at the written request of the Authority expressed in a certificate of an Authority Officer delivered to the Trustee be repaid by the Fiduciary to the Authority as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Holder of such Notes shall look only to the Authority for the payment thereof; provided, however, that before being required to make any such payment to the Authority, the Fiduciary shall, at the expense of the Authority, cause to be published at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Authority.

6. For the purposes of this Section 9.06, Investment Obligations shall mean only such obligations as are described in clauses (a) and (b) of the definition of "Investment Obligations" provided in Section 1.02 hereof and such obligations shall not be subject to redemption prior to their maturity other than at the option of the Holder thereof.

Section 9.07 No Personal Liability on the Notes. Neither the members of the Authority nor any person executing the Notes shall be personally liable on the Notes by reason of execution or issuance thereof. As an explicit and material portion of the consideration for the adoption of this 2020 Note Resolution and the issuance of the Notes, no member, officer or employee of the Authority shall be personally liable for the indebtedness evidenced by the Notes or pursuant to any claim thereon or alleged to arise from this 2020 Note Resolution.

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Section 9.08 Acts of Officers. The Chairman, Vice Chairman, Secretary, Treasurer and Business Manager of the Authority are hereby jointly and severally authorized and directed to do and perform all things and execute all documents, instruments and certifications in the name of the Authority and to make all payments necessary or, in their opinion, advisable, to enable the Authority to carry out its obligations under the terms of this 2020 Note Resolution.

Section 9.09 Severability of Invalid Provisions. If any one or more of the provisions, covenants or agreements in this 2020 Note Resolution on the part of the Authority or the Trustee 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 9.10 Ratification of Actions Taken; Further Actions Authorized. All actions heretofore taken and documents prepared or executed by or on behalf of the Authority by its members, Business Manager, other Authority officials and by the Authority's professional advisors, in connection with the issuance 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 of the Notes not determined or otherwise directed to be executed by the Act or this 2020 Note Resolution, and the signatures of such members and officials on any such documents or instrument shall be conclusive as to such determinations.

Section 9.11 Inconsistent Legislation Rescinded. All resolutions, or parts thereof, inconsistent herewith are hereby repealed and rescinded to the extent of any such inconsistency.

Section 9.12 Successors and Assigns. Whenever in this 2020 Note Resolution the Authority is named or referred to, it shall be deemed to include its successors and assigns. 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 2020 Note Resolution shall bind and inure to the benefit of such successors and assigns and 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, or who or which is empowered to exercise or perform, any right, 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 or perform any of the covenants, stipulations, obligations, agreements or other provisions of this 2020 Note Resolution.

Section 9.13 Parties Interested Herein. Nothing in this 2020 Note Resolution, expressed or implied, is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Authority, the Trustee and the holders of the Notes, any right, remedy or claim under or by reason of this 2020 Note Resolution or any covenant, condition or stipulation hereof or thereof. All the covenants, stipulations, promises and agreements in this 2020 Note Resolution contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee and the holders of the Notes.

**CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY
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Section 9.14 Notice of Adoption of 2020 Note Resolution. A copy of this 2020 Note Resolution shall be filed for public inspection in the office of the Authority and in the office of the Clerk of the Township.

Section 9.15 Local Finance Approval. The effectiveness of this 2020 Note Resolution shall be dependent upon approval of the issuance of the Notes by the Local Finance Board in the New Jersey Department of Consumer Affairs, Division of Local Government Services ("LFB"). If the LFB affirmatively declines to grant approval for the Notes, this 2020 Note Resolution shall be of no further force and effect.

Section 9.16 Governing Law. This 2020 Note Resolution shall be governed by the laws of the State of New Jersey.

Section 9.17 Effective Date. This 2020 Note Resolution shall be effective for all purposes in accordance with the Act.

**CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY
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PROJECT NOTES, SERIES 2020 (CONTINUED)**

Recorded Vote

<u>Name</u>	<u>AYE</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Anthony Rullo, Chairman				
Kenneth Brown, Vice-Chairman				
Charles Newton Treasurer				
Dr. Joseph F. Racite, Secretary				
Wayne Pelura, Asst. Secretary/Asst. Treasurer				

The foregoing is a true copy of a resolution adopted by the Authority on July 21, 2020.

DR. JOSEPH F. RACITE, Secretary

CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY
RESOLUTION 2020-25 AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF ITS SEWER
PROJECT NOTES, SERIES 2020 (CONTINUED)

EXHIBIT "A"

2020-PN-

\$ _____

UNITED STATES OF AMERICA
STATE OF NEW JERSEY
COUNTY OF SALEM

THE CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY
SEWER PROJECT NOTE, SERIES 2020

Dated Date

Interest Rate

Maturity Date

THE CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY (hereinafter called the "Authority"), a public body and corporate organized and existing under and by virtue of the laws of the State of New Jersey, acknowledges itself indebted and for the value received hereby promises to pay to the holder of this Sewer Project Note the principal sum of _____ (\$ _____), together thereon from the date hereof at the rate of _____ and _____ hundredths per centum (_____ %) per annum on the _____ day of _____, 2020. This Note, as to principal and interest when due, will be payable at the principal corporate office of The Bank of New York Mellon, Woodland Park, New Jersey ("Trustee") in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Note is one of a duly authorized issue of Notes, designated as the "Carneys Point Township Sewerage Authority, Sewer Project Notes, Series 2020" ("Notes") of the Authority and authorized and issued under and pursuant to the Sewerage Authorities Law of New Jersey, constituting Chapter 138 of the Pamphlet Laws of 1946 of the State of New Jersey, and the acts amendatory thereof and supplemental thereto (*N.J.S.A. 40:14A-1 et seq.*) ("Act"), and under and in accordance with a 2020 Note Resolution of the Authority adopted July 21, 2020 ("Resolution"). Copies of the Resolution are on the file in the office of the Authority and at the principal corporate trust office of the Trustee.

This Note is a special, limited obligation of the Authority and is one of the Notes which are all of like tenor except as to denominations and numbers. This Note is issued in anticipation of the Authority's bonds and is payable solely from the moneys pledged under the Resolution.

Reference to the Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Act is made for a description of the nature and extent of the security for the Notes, the funds and moneys pledged, the rights and remedies of the holders of the Notes with respect thereto, the terms and conditions upon which the Notes are issued and may be issued thereunder, and a statement of the rights, duties, immunities and obligations of the Authority and of the Trustee. The Notes are entitled to the benefits of the Act.

To the extent and in the manner permitted by the Resolution, the provisions of the Resolution or any resolution amendatory thereof or supplemental thereto may be modified or

**CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY
RESOLUTION 2020-25 AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF ITS SEWER
PROJECT NOTES, SERIES 2020 (CONTINUED)**

amended by action on behalf of the Authority taken in the manner and subject to the conditions and exceptions prescribed in the Resolution.

This Note is transferable by delivery. The Authority and the Trustee may treat and consider the bearer of this Note as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal hereof and interest hereon, and for all other purposes whatsoever. The Notes may be issued in bearer form in the denomination of \$100,000 or any integral multiple thereof in excess of \$100,000.

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

The Notes are not and shall not be in any way a debt or liability of the State of New Jersey, the County of Salem, the Township (except to the extent of the Township's obligations under the Service Agreement), or of any other county, municipality or political subdivision of said State except the Authority, and do not and shall not create or constitute any indebtedness, liability or obligation of said State, County of Salem, Township (except to the extent of the Township's obligations under the Service Agreement), or of any other county, municipality, or political subdivision of said State either legal, moral or otherwise.

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

This Note shall not be entitled to any security or benefit under the Resolution or be valid or obligatory for any purpose unless the certificate of authentication hereon has been duly executed by the Trustee.

IN WITNESS WHEREOF, THE CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY has caused this Note to be signed in its name and on its behalf by the manual or facsimile signature of its Chairman and its corporate seal to be affixed, imprinted or reproduced hereon and attested by the manual or facsimile signature of its Secretary, all as of the ___th day of _____, 2020.

**THE CARNEYS POINT TOWNSHIP SEWERAGE
AUTHORITY**

[SEAL]

By: _____
Chairman

ATTEST:

Secretary

**CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY
RESOLUTION 2020-25 AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF ITS SEWER
PROJECT NOTES, SERIES 2020 (CONTINUED)**

**CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY
RESOLUTION 2020-25 AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF ITS SEWER
PROJECT NOTES, SERIES 2020 (CONTINUED)**

CERTIFICATE OF AUTHENTICATION

This Note is one of the issue of Notes described in the within-mentioned Resolution, such Note being designated as "The Carneys Point Township Sewerage Authority, Sewer Project Note, Series 2020". Accompanying this Note is the complete text of the opinion of Parker McCay P.A., Mount Laurel, New Jersey, Bond Counsel, a signed original of which is on file with the undersigned and delivered and dated the date of original delivery of and payment for this Note.

**THE BANK OF NEW YORK MELLON,
as Trustee**

**By: _____
Authorized Officer**

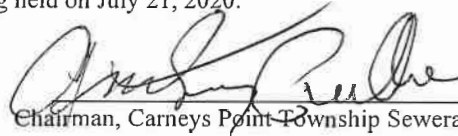
Date of Authentication: _____, 2020

**CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY
 RESOLUTION 2020-25 AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF ITS SEWER
 PROJECT NOTES, SERIES 2020 (CONTINUED)**

RESOLUTION NO. 2020-24

	Moved	Seconded	Yes	No	Abstain	Absent
Mr. Rullo			✓			
Mr. Brown		✓	✓			
Mr. Newton			✓			
Dr. Racite	✓		✓			
Mr. Pelura			✓			

I hereby certify that the foregoing is a true and exact copy of a resolution introduced and adopted by the Carneys Point Township Sewerage Authority at a meeting held on July 21, 2020.



 Chairman, Carneys Point Township Sewerage Authority