

RESOLUTION 2023-52

CPSA 122
Lafayette Rd

**RESOLUTION OF THE CARNEYS POINT TOWNSHIP
SEWERAGE AUTHORITY AUTHORIZING THE
ISSUANCE AND SALE OF ITS SEWER PROJECT NOTES,
SERIES 2023, IN THE PRINCIPAL AMOUNT OF UP TO
\$1,800,000; 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**

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 certain sewer conveyance facilities ("Sewer System") within the Authority's service area; and

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

WHEREAS, the Authority has determined to undertake a capital improvement project consisting of the installation of new sewer gravity mains and the elimination of the existing sanitary sewer lift station on Lafayette Road in the Township, together with the acquisition of all materials and equipment and completion of all work necessary therefor or related thereto (collectively, the "Project"); and

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

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

WHEREAS, in order to: (i) evidence and secure the repayment obligation of the Authority to the I-Bank with respect to the Construction Loan; and (ii) satisfy the requirements of the Construction Financing Program, it is the desire of the Authority to issue and sell to the I-Bank the "Note Relating to the 2023 New Jersey Infrastructure Bank Construction Financing Program" in an aggregate principal amount of up to \$1,800,000 ("Note"); and

WHEREAS, the Authority and the Township have entered into a Service Agreement, dated May 31, 1961 ("Service Agreement"), providing for and relating to the acquisition, construction, maintenance, operation and use of sanitation facilities in and for the Township and the cost and expense of such sale and supplying of the same and the Authority may assign or pledge at any time for the benefit and security of holders of bonds all of its rights to receive payments from the Township under the Service Agreement; and

WHEREAS, it is the desire of the Authority to authorize, execute, attest and deliver the Note to the Trust pursuant to the terms of: (i) the Act; and (ii) the "Local Authorities Fiscal Control Law", constituting Chapter 313 of the Pamphlet Laws of 1983 of the State of new Jersey (codified at N.J.S.A. 40A:5A-1 *et seq.*), as the same may from time to time be amended and supplemented (the "Local Authorities Fiscal Control Law"); and

WHEREAS, Section 12 of the Local Authorities Fiscal Control Law and *N.J.S.A.* 58:11B-9 each allow for the sale of the Note to the I-Bank, without any public offering, all pursuant to the terms and conditions set forth therein; and

WHEREAS, to effectuate the financing plan described in the above mentioned paragraphs, it is necessary for the Authority to adopt this supplemental resolution and to authorize and approve the issuance of the Note, in an aggregate principal amount of up to \$1,800,000.

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 "2023 Note Resolution".

Section 1.02 Definitions. As used, mentioned or referred to in this 2023 Note Resolution, the following words, terms and phrases shall have the meanings ascribed thereto, unless the context shall clearly require otherwise.

"2023 Note Resolution" means this 2023 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 Chairperson, the Vice Chairperson, 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.

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

"Construction Fund" means the Fund so designated and established by Section 3.02 of this 2023 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 2023 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.

"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.

"Debt Service Fund" means the Fund so designated and established by Section 3.02 of this 2023 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 2023 Note Resolution.

"Environmental Infrastructure Trust Act" shall have the meaning ascribed thereto in the recitals to this 2023 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 2023 Note Resolution.

"IBank" mean the New Jersey Infrastructure Bank.

"Investment Obligations" shall mean with respect to moneys in any Funds, Accounts or Subaccounts invested under this Resolution, any of the following securities, if and to the extent the same are at the time purchase legal for investment of Authority funds pursuant to the provisions of the Local Fiscal Affairs Law, specifically *N.J.S.A. 40A:5-14* (legal depositories for public moneys) and *N.J.S.A.40A5-15.1* (securities which may be purchased by local units), as same may be amended and supplemented from time to time:

As of the date of execution of this Resolution, the following investments and securities are currently permitted investments under the laws of the State for investment of the Authority's funds when authorized by a cash management plan approved pursuant to *N.J.S.A. 40A5-14*:

1. The public depositories (as defined in *N.J.S.A. 17:9-41*) designated by the Authority in an approved cash management plan shall be authorized pursuant to *N.J.S.A. 40A:5-14(i)* to purchase certificates of deposit in accordance with the following conditions: (1) the funds are initially invested through the designated public depository; (2) the designated public depository arranges for the deposit of the funds in certificates of deposit in one or more federally insured banks or savings and loan associations, for the account of the Authority; (3) one hundred percent (100%) of the principal and accrued interest of each certificate of deposit is insured by the Federal Deposit Insurance Corporation; (4) the designated public depository acts as custodian for the Authority with respect to the certificates of deposit issued for the Authority's accounts; and (5) at the same time that the Authority's funds are deposited and the certificates of deposit are issued, the designated public depository receives an amount of deposits from customers of other banks and savings and loan associations, wherever located, equal to the amount of funds initially invested by the Authority through the designated public depository.
2. Pursuant to *N.J.S.A. 40A:5-15.1*, the following securities may be purchased which, if suitable for registry, may be registered in the name of the Authority:
 - a) Bonds or other obligations of the United States of America or obligations guaranteed by the United State of America;
 - b) Government money market mutual funds;
 - c) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
 - d) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
 - e) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L. 1983, c.313 (*N.J.S.A. 40A:5A-1 et seq.*). Other bonds or obligations having a maturity date not

- more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- f) Local government investment pools;
 - g) Deposits with the State Cash Management Fund established pursuant to Section 1 of P.L. 1977, c.281 (*N.J.S.A. 52:18A-90.4*); or
 - h) Agreements for the repurchase of fully collateralized securities, if:
 - i. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of subsection b. hereof or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L. 1983, c.313 (*N.J.S.A. 40A:5A-1 et seq.*);
 - ii. the custody of collateral is transferred to a third party;
 - iii. the maturity of the agreement is not more than thirty (30) days;
 - iv. the underlying securities are purchased through a public depository as defined in Section 1 of P.L. 1970, c.236 (*N.J.S.A. 17:9-41*); and
 - v. a master repurchase agreement providing for the custody and security of collateral is executed.
3. Any investment instruments in which the security is not physically held by the local unit shall be covered by a third party custodial agreement which shall provide for the designation of such investments in the name of the local unit and prevent unauthorized use of such investments.
4. Purchase of investment securities shall be executed by the "delivery versus payment" method to ensure that securities are either received by the local unit or a third party custodian prior to or upon the release of the local unit's funds.
5. Any investments not purchased and redeemed directly from the issuer, government money market mutual fund, local government investment pool, or the State of New Jersey Cash Management Fund, shall be purchased and redeemed through the use of a national or State bank located within this State or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L. 1967, C.93 (*N.J.S.A. 49:3-56*) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.
6. For purposes of this definition:

- a) a "government money market mutual fund" means an investment company or investment trust:
- i. which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. s.80a-1 *et seq.*, and operated in accordance with 17 C.F.R. s.270.2a-7, except that a government money market mutual fund may not impose liquidity fees or redemption gates regardless of whether permitted to do so under 17 C.F.R. s.270.2a-7;
 - ii. the portfolio of which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. s.270.2a-7, securities that have been issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L. 1983, c.313 (C.40A:5A-1 *et seq.*) that meet the definition of an eligible security pursuant to 17 C.F.R. s.270.2a-7, and repurchase agreements that are collateralized by such securities in which direct investment may be made pursuant to paragraphs (1), (3), and (5) of subsection b. hereof; and
 - iii. which is rated by a nationally recognized statistical rating organization.
- b) A "local government investment pool" means an investment pool:
- i. which is managed in accordance with generally accepted accounting and financial reporting principles for local government investment pools established by the Governmental Accounting Standards Board;
 - ii. which is rated in the highest category by a nationally recognized statistical rating organization;
 - iii. which is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. s.270.2a-7, securities that have been issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," P.L. 1983, c.313 (*N.J.S.A.* 40A:5A-1 *et seq.*) that meet the definition of an eligible security pursuant to 17 C.F.R. 270.2a-7 and repurchase agreements that are collateralized by such securities in which direct investment may be made pursuant to paragraphs (1), (3), and (5) of subsection b. hereof;
 - iv. which is in compliance with such rules as may be adopted pursuant to the "Administrative Procedure Act," P.L. 1968, c.410 (*N.J.S.A.* 52:14B-1 *et seq.*) by the Local Finance Board of the Division of Local Government Services in the Department of Community Affairs, which may promulgate rules providing for disclosure and reporting requirements, and other provisions deemed necessary by the board to provide for the safety, liquidity and yield of the investments;
 - v. which does not permit investments in instruments that: are subject to high price volatility with changing market conditions; cannot reasonably be expected, at the time of interest rate adjustment, to have a market value that approximates their par value; or utilize an index that does not support a stable net asset value;

- vi. which purchases and redeems investments directly from the issuer, government money market mutual fund, or the State of New Jersey Cash Management Fund, or through the use of a national or State bank located within the State, or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L. 1967, c.93 (C.49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities; and
 - vii. which does not impose liquidity fees or redemption gates.
7. Investments in, or deposits or purchases of financial instruments made pursuant to this Indenture shall not be subject to the requirements of the "Local Public Contracts Law," P.L. 1971, c.198 (*N.J.S.A.40A:11-1 et seq.*).

"Note" or **"Notes"** means the Sewer Project Notes, Series 2023, authorized pursuant to this 2023 Note Resolution.

"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 2023 Note Resolution, and (c) Notes deemed to have been paid pursuant to Section 9.06 hereof.

"Project" shall have the meaning ascribed thereto in the recitals to this 2023 Note Resolution.

"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 2023 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 and not otherwise pledged to the payment of other obligations issued and outstanding.

"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.

"Sewer System" shall have the meaning ascribed thereto in the recitals to this 2023 Note Resolution.

"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 2023 Note Resolution or any copy thereof are solely for convenience of reference and shall not constitute part of this 2023 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.

ARTICLE II

AUTHORIZATION, ISSUANCE AND SALE OF THE NOTES

Section 2.01 Authority for the 2023 Note Resolution. This 2023 Note Resolution is adopted pursuant to the provisions of the Act. The Authority has ascertained and hereby determines that adoption of this 2023 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 has ascertained and did heretofore and does hereby determine that the Project is necessary and shall diligently proceed with the completion of the same. The estimated Cost of Construction of the Project is \$1,800,000. It is hereby further determined that the provisions or reserves herein provided to be made or established by application of proceeds of the Notes for working capital or costs in connection with the issuance of the Notes or operating, maintenance or replacement expenses or for payment or security of principal of or interest on the Notes during or after construction or acquisition of the Project constitute and shall be part of such Cost of Construction.

Section 2.03 Authorization of Notes. This 2023 Note Resolution creates a series of Notes of the Authority to be designated as "Sewer Project Notes, Series 2023". The aggregate principal amount of the Notes which may be executed, authenticated and delivered under this 2023 Note Resolution is limited to \$1,800,000.

Section 2.04 General Provisions for Issuance of Notes. All of the Notes of each series shall be executed by the Authority for issuance under this 2023 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 each series of the Notes, signed by an Authority Officer;

2. A copy of this 2023 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) for each series of the Notes to the effect that: (i) the Authority has the right and power under the Act to adopt this 2023 Note Resolution and this 2023 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 2023 Note Resolution is required; (ii) this 2023 Note Resolution creates the valid pledge which it purports to create of the moneys, securities and funds held or set aside under this 2023 Note Resolution; and (iii) such series of Notes are legal, valid and binding obligations of the Authority as provided in this 2023 Note Resolution, in accordance with their terms and the terms of this 2023 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, including the Act, as amended to the date of such Counsel's Opinion, and in accordance with this 2023 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 2023 Note Resolution authorizing the Notes to be deposited in any Fund under this 2023 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. Each series of Notes shall be dated their respective date of delivery and shall mature within eighteen (18) months thereof or upon earlier redemption. 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 or upon earlier redemption at the principal corporate trust office of the Trustee.

2. Each series of Notes shall be subject to redemption prior to maturity on the terms and conditions stated therein and confirmed in a supplemental resolution hereto.

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

(a) there shall be deposited in the Debt Service Fund: (i) an amount equal to the accrued interest on the Notes, if any, to the date of such delivery; and (ii) such additional amount as shall be determined by the Authority; and

(b) the balance of the proceeds shall be deposited into the 2023 Note Construction Fund to pay the costs of the Project.

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, or such other odd denomination as is necessary to issue the full principal amount of the Notes.

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 Chairperson and/or Treasurer, along with the Chairperson, Vice-Chairperson, and Treasurer are hereby designated as Authority Officers, charged by this 2023 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 \$1,800,000); (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 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 2023 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 Chairperson or Vice Chairperson 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 2023". 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 2023 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 2023 Note Resolution and that the IBank is entitled to the benefit of this 2023 Note Resolution.

Section 2.09 Ownership of Notes. The Authority and any Fiduciary may treat the IBank as the holder and absolute owner each series of the Notes, 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 contrary.

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 IBank, execute, and thereupon the Trustee shall authenticate and deliver, a new Note, with a new replacement number 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 2023 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 2023 Note Resolution by: (i) the proceeds from the sale of the Notes; (ii) moneys on deposit in all Funds established by this 2023 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 2023 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 purposes of this 2023 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 2023 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 Authority hereby acknowledges and agrees that the Township is a third party beneficiary of this 2023 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 IBank under this 2023 Note Resolution.

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

- (1) the Note Construction Fund to be held by the Trustee, and
- (2) the Debt Service Fund to be held by the Trustee.

Section 3.03 2023 Note Construction Fund.

1. There shall be paid into the 2023 Note Construction Fund the amounts required to be so paid by the provisions of Section 2.05 of this 2023 Note Resolution and the Authority's Receipt for the Purchase Price of the Notes and Application of Proceeds executed upon closing of each series of the Notes by an Authorized Officer of the Authority pursuant to Section 2.06 hereof. In addition, there shall be deposited into the 2023 Note Construction Fund any other amounts received by the Authority to pay the Cost of Construction of the Project.

2. The proceeds of insurance maintained pursuant to this 2023 Note Resolution against physical loss of, or damage to, the Project shall be paid into the 2023 Note Construction Fund.

3. Notwithstanding any of the other provisions of this Section 3.03, to the extent that other moneys are not available therefor, amounts in the 2023 Note Construction Fund shall be applied to the payment of principal of and interest on each series of Notes when due.

4. Upon completion of the Project, as signified by a certificate of completion signed by an Authority Officer, all funds held in the 2023 Note Construction Fund shall be transferred to the Debt Service Fund and applied in accordance with Section 3.04 hereof.

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 Section 2.05 of this 2023 Note Resolution and the Authority's Receipt for the Purchase Price of the Notes and Application of Proceeds executed upon closing of each series of the Notes by an Authorized Officer 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 prior to the maturity of the Notes. The Trustee shall pay out of the Debt Service Fund to the IBank the amount required for the principal of and interest payable on each series of the Notes on their due date.

Section 3.05 Depositories.

1. All moneys held by the Trustee or the Authority under the provisions of this 2023 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 2023 Note Resolution with the Trustee or any Depository shall be held in trust and applied only in accordance with the provisions of this 2023 Note Resolution, and each of the Funds established by this 2023 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 2023 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 2023 Note Resolution by the Trustee or any Depository shall be: (i) either (a) continuously and fully insured by the Federal Deposit Insurance Corporation, or (b) 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 (ii) 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 of 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 2023 Note Construction Fund may be invested and reinvested in Investment Obligations which mature not later than such times as shall be 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.

2. Interest earned on any moneys or investments in the 2023 Note Construction Fund shall be held in such Fund.

3. Nothing in this 2023 Note Resolution shall prevent any Investment Obligations acquired as investments of or security for funds held under this 2023 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 2023 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 2023 Note Resolution for any purpose provided in this 2023 Note Resolution, obligations purchased as an investment of moneys therein shall be valued upon the maturity of each series 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 IBank and makes provisions which shall be a part of the contract with the IBank, 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 first series of Notes authenticated and delivered under this 2023 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 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 2023 Note Resolution to the benefit of this 2023 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 the Notes or claims for interest pursuant to this 2023 Note Resolution) held by any Fiduciary.

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 2023 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 IBank 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 2023 Note Resolution and to pledge the Revenues and other moneys, securities and funds purported to be pledged by this 2023 Note Resolution in the manner and to the extent provided in this 2023 Note Resolution. The Revenues and other moneys, securities and funds so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto, prior to, or of equal rank with, the pledge created by this 2023 Note Resolution, and all corporate action on the part of the Authority to that end has been duly and validly taken. The Notes and the provisions of this 2023 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 2023 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 2023 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 IBank. 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 the 2023 Note Construction 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 2023 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 2023 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 Powers of Amendment. Subject to the provisions of Section 5.05, any modification or amendment of this 2023 Note Resolution and of the rights and obligations of the Authority and of the IBank, in any particular, may be made by a supplemental resolution with the written consent, given as provided in Section 5.03, of the IBank 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 of the Notes remain Outstanding, or provided an opinion of Bond Counsel addressed to the Trustee which opines that such amendment will not adversely affect the IBank, the consent of the IBank shall not be required; and provided, further, that no such modification or amendment shall permit a change in the terms of maturity of the principal of any of the Notes or a reduction in the principal amount or the rate of interest thereon without the consent of the IBank, or shall reduce the percentages or otherwise affect the description of the Notes the consent of the IBank 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 5.02, the Notes shall be deemed to be affected by a modification or amendment of this 2023 Note Resolution if the same adversely affects or diminishes the rights of the IBank against the Authority or the Revenues or any moneys, securities or funds pledged under this 2023 Note Resolution.

Section 5.03 Consent of IBank. Subject to the provisions of Section 5.05 hereof, 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 5.02 hereof, to take effect when and as provided in this Section 5.03. A copy of such resolution, together with a request to the IBank for its consent thereto shall be sent to the IBank. Such resolution shall not be effective unless and until, and shall take effect in accordance with its terms when there shall have been filed with the Trustee: (i) the written consent of the IBank; and (ii) a Counsel's Opinion (which shall be addressed to the Authority and the Trustee) stating that such resolution has been duly and lawfully adopted by the Authority in accordance with the provisions of this 2023 Note Resolution, is authorized or permitted by the provisions of this 2023 Note Resolution, and when effective, will be valid and binding upon the Authority and enforceable in accordance with its terms. Any such consent shall be binding upon the IBank, but, notwithstanding the provisions of Section 9.01 hereof, such consent may be revoked in writing by the IBank by filing with the Trustee, prior to but not later than the time when the written statement of the Trustee hereinafter in this Section 5.03 provided for is filed, such a revocation. 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 IBank shall have filed its consent to such resolution, the Trustee shall make and file with the Authority and the Trustee a written statement that the IBank has filed and given such consent. Such written statement shall be conclusive that such consent has been so filed and has been given. Such resolution making such modification or amendment shall be deemed conclusively binding upon the Authority, the Fiduciaries and the IBank in accordance with the Act.

Section 5.04 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 IBank 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 IBank shall be exchanged, without cost to the IBank, for Notes of the same designation, maturity and interest rate then Outstanding, upon surrender of such Notes.

Section 5.05 Amendments Prior to Issuance. Notwithstanding anything in this 2023 Note Resolution to the contrary, this 2023 Note Resolution may, prior to the issuance of the Notes, be amended by a supplemental resolution or a certification executed by an Authorized Officer of the Authority, provided, however, such amendment authorized under this Section 5.05 may not increase the principal amount of Notes authorized to be issued or alter the security or sources of payment therefor.

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 2023 Note Resolution, the rights, powers and duties in this Article VI provided in trust for the IBank.

Section 6.02 Events of Default. Each of the following shall constitute an event of default under this 2023 Note Resolution and is hereby called an "Event of Default", that is to say, in case:

1. interest on any series of the Notes shall become due and shall not be paid, or the principal of any series 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 2023 Note Resolution and such default shall continue for a period of ninety (90) days after written notice to the Authority from the IBank 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 involuntary 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 IBank, may proceed, and upon the written request of the IBank shall proceed, subject to the provisions of Section 6.02, to protect and enforce its rights and any rights of the IBank and, to the full extent that the IBank might do, the rights of the IBank under the laws of the State or under this 2023 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 IBank by Trustee. The Trustee is hereby irrevocably appointed (and the IBank, 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 IBank with power and authority, at any time in its discretion:

1. Pursuant to this 2023 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 IBank 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 IBank and to perform its and their duties under this 2023 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 IBank, 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 IBank; 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 on behalf of the IBank, any proof of debt, amendment of proof of debt, petition or other document, to receive payment of any sums becoming distributable to the IBank, 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 claims of the IBank against the Authority allowed in any bankruptcy or other proceeding.

Section 6.05 Limitation on Powers of Trustee. Nothing contained in this 2023 Note Resolution shall be deemed to give power to the Trustee either as such or as attorney-in-fact of the IBank to vote the claims of the IBank 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 the IBank or to give consent on behalf of the IBank to any modification or amendment of this 2023 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 2023 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 benefit of the IBank subject to the provisions of this 2023 Note Resolution.

2. In the enforcement of any rights under this 2023 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 2023 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 IBank, 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 moneys, securities and funds pledged or held under this 2023 Note Resolution.

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 moneys, securities and funds pledged or held under this 2023 Note Resolution for such period as shall be stated in such demand.

Section 6.08 Restriction on IBank Action.

1. The IBank shall not have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision of this 2023 Note Resolution or for the execution of any trust hereunder or for any other remedy hereunder, unless: (i) (a) the IBank 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 IBank 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) the IBank previously shall have obtained the written consent of the Trustee to the institution of such suit, action or proceeding, and (b) no such suit, action or proceeding is brought for the benefit of the IBank.

2. The IBank shall not have any right in any manner whatever by its action to affect, disturb or prejudice the pledge of any 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.

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 2023 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 and funds 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 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 the Notes, together with the reasonable and proper charges, expenses and liabilities of the Trustee, and all other sums payable by the Authority under this 2023 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 2023 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 be made therefor, the Trustee shall pay over to the Authority all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities or funds 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 2023 Note Resolution. No such payment over to the Authority by the Trustee shall extend to or affect any subsequent default under this 2023 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 2023 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 2023 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 2023 Note Resolution conferred upon or reserved to the Trustee (or to the IBank) 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 hereof 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 IBank 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.

Section 6.12 Effect of Waiver and Other Circumstances. No delay or omission of the Trustee or of the IBank 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 2023 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 IBank. In case the Trustee shall have proceeded to enforce any right under this 2023 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 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 the IBank to enforce the payment of the principal of and interest on any series of the Notes, or the obligation of the Authority to pay the principal of and interest on any series of the Notes to the IBank at the time and place expressed in such 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 2023 Note Resolution.

ARTICLE VII

THE FIDUCIARIES

Section 7.01 Appointment of Trustee. The Authority hereby appoints The Bank of New York Mellon, Woodland Park, New Jersey, as Trustee for the Notes. The Trustee's acceptance of its duties and obligations hereunder shall be duly authorized pursuant to a certificate signed by an authorized officer of the Trustee dated as of the final closing of the Notes. Pursuant thereto, the Trustee 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 IBank agree.

Section 7.02 Representations Not Made by Trustee. The recitals, statements and representations contained in this 2023 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 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 2023 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 2023 Note Resolution or for the use and application of money received by any paying agent.

2. The Trustee shall not be answerable for other than its negligence or willful misconduct in connection with the performance of its duties 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 2023 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 or directions pursuant to this 2023 Note Resolution sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) 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 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 instructions conflict or are inconsistent with a subsequent written instruction. The Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions 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.

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.

7. The permissive right of the Trustee to do things enumerated in this 2023 Note Resolution shall not be construed as a duty.

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 2023 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 2023 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 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 2023 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 2023 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 2023 Note Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority and the IBank, 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 IBank.

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 and the IBank not less than sixty (60) days before the date specified in such instrument when such resignation shall take effect. 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 hereunder as provided in Section 7.13 hereof.

Section 7.11 Removal. The Trustee may be removed at any time by an instrument in writing 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 IBank by an instrument in writing executed by and on behalf of the IBank 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 IBank 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 sent to the IBank. Any new Trustee so appointed by the Authority shall immediately and without further fact be superseded by a Trustee appointed by the IBank 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 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 Successor Corporation as Trustee. Any corporation into which a Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee hereunder shall be a party, shall be the Trustee under this 2023 Note Resolution without the execution or filing of any paper or any further act on the part of the parties, hereto, anything herein to the contrary notwithstanding.

Section 7.15 Funds Held in IBank. All moneys held by any Fiduciary, as such, at any time pursuant to the terms of this 2023 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 2023 Note Resolution.

Section 7.16 Adoption of Authentication. In case any of the Notes contemplated to be issued under this 2023 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 2023 Note Resolution that the certificate of the Trustee shall have.

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 rebate amount earned by investing proceeds of the Notes.

ARTICLE IX

MISCELLANEOUS

Section 9.01 Evidence of Signatures of IBank and Ownership of Notes. Any request, consent, revocation of consent or other instrument which this 2023 Note Resolution may require or permit to be signed and executed by the IBank may be in one (1) or more instruments of similar tenor, and shall be signed or executed by an authorized officer of the IBank. The authority of a person or persons to execute any such instrument on behalf of the IBank may be established without further proof if such instrument is signed by a person purporting to be an authorized officer of the IBank with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

Section 9.02 Moneys held for the 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 IBank, and for the purposes of this 2023 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 2023 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 2023 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 2023 Note 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 the IBank, 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 created by this 2023 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 Chairperson or Vice Chairperson of the Authority

shall approve, such approval to be conclusively evidenced by the executed Note or Notes by the Chairperson or Vice Chairperson of the Authority and attested to by the Secretary of the Authority.

Section 9.06 Defeasance.

1. If the Authority shall pay or cause to be paid to the IBank, the principal of and interest, if any, to become due thereon, at the times and in the manner stipulated therein and in this 2023 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 moneys, securities and funds hereby pledged and the covenants, agreements and other obligations of the Authority to the IBank 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 2023 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: (i) any money so held by the Trustee for the payment to the IBank of principal of, or interest on, the 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 (ii) 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 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 2023 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 2023 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 IBank 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 provided at least twice, at an interval of not less than seven (7) days, written notification to the IBank 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 IBank.

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 2023 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 2023 Note Resolution.

Section 9.08 Acts of Officers. The Chairperson, Vice Chairperson, 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 2023 Note Resolution.

Section 9.09 Severability of Invalid Provisions. If any one or more of the provisions, covenants or agreements in this 2023 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 2023 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 2023 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 2023 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 2023 Note Resolution.

Section 9.13 Parties Interested Herein. Nothing in this 2023 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 IBank, any right, remedy or claim under or by reason of this 2023 Note Resolution or any covenant, condition or stipulation hereof or thereof. All the covenants, stipulations, promises and agreements in this 2023 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 IBank.

Section 9.14 Notice of Adoption of 2023 Note Resolution. A copy of this 2023 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 Governing Law. This 2023 Note Resolution shall be governed by the laws of the State of New Jersey, without regard to conflict of law principles.

Section 9.17 Effective Date. This 2023 Note Resolution shall be effective for all purposes in accordance with the Act.

Recorded Vote

<u>Name</u>	<u>AYE</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Ken Brown, Chairperson	✓			
Patrick Bomba, Vice-Chairperson	✓			
Charles Newton Treasurer	✓			
Dr. Joseph F. Racite Secretary	✓			
Larry Basille, Asst. Secretary/Asst. Treasurer	✓			

The foregoing is a true copy of a resolution adopted by the Authority on November 21, 2023.



~~DR. JOSEPH F. RACITE, Secretary~~

Lawrence Basille,
Alt Treasurer/Secretary

EXHIBIT "A"

**THE CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY
RELATING TO:
THE WATER BANK CONSTRUCTION FINANCING PROGRAM
OF THE NEW JERSEY INFRASTRUCTURE BANK**

[\$1,800,000]

[Dated Date]

NJWB – CFP-23A-1

FOR VALUE RECEIVED, The Carneys Point Township Sewerage Authority, a sewerage authority, acting as a public body corporate and politic with corporate succession duly created and validly existing pursuant to the laws of the State (as hereinafter defined), including, without limitation, the Borrower Enabling Act (as hereinafter defined), and its successors and assigns (the "Borrower"), hereby promises to pay to the order of the **NEW JERSEY INFRASTRUCTURE BANK**, a public body corporate and politic with corporate succession, duly created and validly existing under and by virtue of the Act (as hereinafter defined) (the "I-Bank"), the Principal (as hereinafter defined), together with all unpaid accrued Interest (as hereinafter defined), fees, late charges and other sums due hereunder, if any, in lawful money of the United States of America, on the Maturity Date (as hereinafter defined) or the date of any optional prepayment or acceleration in accordance with the provisions of this project note (the "Note"); provided, however, that portions of the Interest may be due and payable earlier, at the time(s) and in the amount(s), as and to the extent provided in accordance with Section 4 hereof.

This Note is a special, limited obligation of the Authority. This Note is issued in anticipation of the Authority's bonds and is payable solely from monies pledged under the Borrower Note Resolution (as hereinafter defined).

Reference to the Borrower Note Resolution and any and all resolutions supplemental thereto and modifications and amendments thereof and to the Borrower Enabling 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 (as herein defined). The Notes are entitled to the benefits of the Act and the Borrower Enabling 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 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 Borrower Enabling 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 Note is not and shall not be in any way a debt or liability of the State of New Jersey, the County of Salem ("County"), the Township of Carneys Point ("Township") (except to the extent of the Annual Charges, as defined in the Resolution), 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, Township (except to the extent of the Annual Charges), 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 Borrower Note 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 Note, 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 Borrower Note Resolution or be valid or obligatory for any purpose unless the certificate of authentication hereon has been duly executed by the Trustee.

SECTION 1. Definitions. As used in this Note, unless the context requires otherwise, the following terms shall have the following meanings:

"Act" means the "New Jersey Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same has been, and in the future may from time to time be, amended and supplemented.

"Administrative Fee" means the "NJDEP Fee" as defined and calculated in Exhibit B hereto, which is an administrative fee that is payable by the Borrower to the NJDEP (at the time and in the amount as is established by the provisions of Section 4(b) hereof) as a portion of the Cost of the Project that has been incurred by the Borrower for engineering and environmental services provided to the Borrower by the NJDEP.

"Anticipated Financing Program" means the New Jersey Water Bank financing program of the I-Bank, pursuant to which the I-Bank will issue its I-Bank Bonds for the purpose of financing, on a long-term basis, the Project as well as other projects of certain qualifying borrowers.

"Anticipated Long-Term Loan" means the long-term loan made by the I-Bank to the Borrower from the proceeds of its I-Bank Bonds, as part of the Anticipated Financing Program.

"Authorized Officer" means any person authorized by the Borrower or the I-Bank, as the case may be, to perform any act or execute any document relating to the Loan or this Note.

"Borrower Enabling Act" means the "Sewerage Authorities Law", constituting Chapter 138 of the Pamphlet Laws of 1946 of the State (codified at N.J.S.A. 40:14A-1 *et seq.*), as the same may from time to time be amended and supplemented.

"Borrower Note Resolution" means the resolution of the Borrower entitled "RESOLUTION OF THE CARNEYS POINT TOWNSHIP SEWERAGE AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF ITS SEWER PROJECT NOTES, SERIES 2023, IN THE PRINCIPAL AMOUNT OF UP TO \$1,800,000; 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", adopted on November 21, 2023, as amended and supplemented from time to time, pursuant to which this Note has been issued, copies of which are on file in the office of the Authority and at the principal corporate trust office of the Trustee.

"Code" means the Internal Revenue Code of 1986, as the same may from time to time be amended and supplemented, including any regulations promulgated thereunder, any successor code thereto and any administrative or judicial interpretations thereof.

"Cost" or "Costs" means those costs that are allocable to the Project, as shall be determined on a project-specific basis in accordance with the Regulations, as further set forth in Exhibit B hereto, (i) as such Exhibit B shall be supplemented by an Authorized Officer of the I-Bank by means of either a substitute Exhibit B or an additional Exhibit B, such supplement to be implemented concurrently with the supplement to Exhibit A-1 hereto (as provided in the definition of "Project" as set forth herein), and (ii) as the then-current Exhibit B may be amended by subsequent changes to eligible costs as evidenced by a certificate of an Authorized Officer of the I-Bank.

"Credit Policy" means the "New Jersey Infrastructure Bank Credit Policy," as adopted by the Board of Directors of the I-Bank and as further amended and supplemented from time to time.

"Environmental Infrastructure Facilities" means Wastewater Treatment Facilities, Stormwater Management Facilities or Water Supply Facilities (as such terms are defined in the Regulations).

"Environmental Infrastructure System" means the Environmental Infrastructure Facilities of the Borrower, including the Project, for which the Borrower is receiving the Loan.

"Event of Default" means any occurrence or event specified in Section 6 hereof.

"Financial Plan" means the then-applicable Financial Plan, as prepared for the then-current State Fiscal Year and as submitted to the State Legislature by the I-Bank and the NJDEP, all pursuant to, and in satisfaction of the requirements of, sections 21, 21.1, 22 and 22.1 of the Act.

"I-Bank Bonds" means the revenue bonds of the I-Bank to be issued pursuant to, and as part of, the Anticipated Financing Program.

"Interest" means the interest that shall accrue on a daily basis with respect to Principal to be calculated each day by applying the Interest Rate established for a State Fiscal Year divided by 360 to the Principal amount on that day.

"Interest Rate" means the rate of interest as shall be established by an Authorized Officer of the I-Bank in a manner consistent with the terms and provisions of the Financial Plan for each State Fiscal Year.

"Issue Date" means the date of issuance of this Note.

"Loan" means the loan of the Principal, made by the I-Bank to the Borrower to finance or refinance a portion of the Cost of the Project, as evidenced and secured by this Note.

"Loan Disbursement Requisition" means the requisition, to be executed by an Authorized Officer of the Borrower and approved by the NJDEP, in a form to be determined by the I-Bank and the NJDEP.

"Local Authorities Fiscal Control Law" means the "Local Authorities Fiscal Control Law", constituting Chapter 313 of the Pamphlet Laws of 1983 of the State (codified at N.J.S.A. 40A:5A-1 *et seq.*), as the same may from time to time be amended and supplemented.

"Maturity Date" means the Maturity Date as determined pursuant to clause (i), (ii) or (iii) of this definition, subject to being redetermined pursuant to clause (iv) or (v) of this definition, but subject, in all events, to the rights and remedies of the I-Bank pursuant to the provisions of Section 6 hereof and the provisions of Section 7 hereof in furtherance of the enforcement by the I-Bank of all covenants and obligations of the Borrower hereunder, including, without limitation and in particular, the covenants and obligations of the Borrower set forth in Section 3 hereof.

(i) If the construction contract relating to the Project has not been certified for funding pursuant to the Act by the date that is the second anniversary of the Issue Date, then the Maturity Date shall be the second anniversary of the Issue Date. If this clause (i) is applicable, then the Maturity Date shall be _____, 202_, being the second anniversary of the Issue Date.

(ii) If the construction contract relating to the Project has been certified for funding pursuant to the Act prior to the Issue Date, then the Maturity Date shall be June 30 of the third State Fiscal Year following the State Fiscal Year in which the Issue Date occurs, which is June 30, 202_. In the event that there is more than one construction contract relating to the Project, the determination under this clause (ii) shall be based on the first construction contract that has been certified for funding pursuant to the Act.

(iii) If the construction contract relating to the Project has been certified for funding pursuant to the Act after the Issue Date and on or before the date that is the second anniversary of the Issue Date, then the Maturity Date shall be June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract relating to the Project has been certified for funding pursuant to the Act. In the event that there is more than one construction contract

relating to the Project, the determination under this clause (iii) shall be based on the first construction contract that has been certified for funding pursuant to the Act. Thus:

- (A) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the same State Fiscal Year as the State Fiscal Year during which the Issue Date occurs, then the Maturity Date shall be June 30, 202_, being June 30 of the third State Fiscal Year following the State Fiscal Year during which the Issue Date occurs.
- (B) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the first State Fiscal Year following the State Fiscal Year during which the Issue Date occurs, then the Maturity Date shall be June 30, 202_, being June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract has been certified for funding.
- (C) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the second State Fiscal Year following the State Fiscal Year during which the Issue Date occurs (but on or before the second anniversary of the Issue Date), then the Maturity Date shall be June 30, 202_, being June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract has been certified for funding.

(iv) Notwithstanding any of the forgoing, the Maturity Date shall be such earlier date as shall be determined by an Authorized Officer of the I-Bank in his or her sole discretion, which date shall be determined by such Authorized Officer of the I-Bank to be the date of the closing for the Anticipated Financing Program;

(v) Notwithstanding any of the forgoing, the Maturity Date shall be such later date (subject to the then-applicable limits of the Act) to be determined by an Authorized Officer of the I-Bank in his or her sole discretion, pursuant to a written certification thereof, as acknowledged and agreed by an Authorized Officer of the Borrower.

"New Jersey Water Bank" means the joint initiative of the I-Bank and the NJDEP to provide low-cost financing to qualified applicants with respect to water quality projects that are identified in the Act.

"NJDEP" means the New Jersey Department of Environmental Protection.

"Payment Date" means, as applicable: (i) the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan pursuant to the terms of this Note, the date of such optional prepayment or acceleration; provided, however, that in all cases, a portion of the Interest shall be payable by the Borrower to the I-Bank prior to the Maturity Date as provided in Section 4 hereof.

"Principal" means the principal amount of the Loan, at any time being the lesser of (i) [One Million Eight Hundred Thousand Dollars (\$1,800,000)], or (ii) the aggregate outstanding amount as shall actually be disbursed to the Borrower by the I-Bank pursuant to one or more Loan Disbursement Requisitions, which Principal shall be payable by the Borrower to the I-Bank (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the

Loan pursuant to the terms of this Note, on the date of such optional prepayment or acceleration, as the case may be.

"Project" means the Environmental Infrastructure Facilities of the Borrower which constitute a project for which the I-Bank is making the Loan to the Borrower, as further described in Exhibit A-1 hereto; provided, however, that the description of the Project, as set forth in Exhibit A-1 attached hereto, may be supplemented by means of either (i) the substitution of a revised and updated Exhibit A-1 for the current Exhibit A-1 or (ii) the inclusion of an additional Exhibit A-1, in either case, promptly following the certification for funding by the NJDEP of the remaining components of the Project, as applicable, such supplement to be undertaken by an Authorized Officer of the I-Bank.

"Regulations" means the rules and regulations, as applicable, now or hereafter promulgated pursuant to N.J.A.C. 7:22-3 *et seq.*, 7:22-4 *et seq.*, 7:22-5 *et seq.*, 7:22-6 *et seq.*, 7:22-7 *et seq.*, 7:22-8 *et seq.*, 7:22-9 *et seq.* and 7:22-10 *et seq.*, as the same may from time to time be amended and supplemented.

"Revenues" means "Revenues" as defined in the Borrower Note Resolution.

"State" means the State of 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 2. Representations of the Borrower. The Borrower: (i) is a municipal utilities authority, acting as a public body corporate and politic with corporate succession, duly created and validly existing under and pursuant to the Constitution and laws of the State, including, without limitation, the Borrower Enabling Act, and is subject to the Local Authorities Fiscal Control Law; (ii) has full legal right and authority to execute, attest, issue and deliver this Note, to authorize the authentication of this Note, to sell this Note to the I-Bank, and to perform its obligations hereunder, and (iii) has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the issuance of this Note, the authentication of this Note, the sale thereof to the I-Bank and the due performance of its obligations hereunder and (B) the execution, delivery and due performance of all certificates and other instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out and give effect to this Note.

(b) Authority. This Note has been duly authorized by the Borrower, duly executed, attested and delivered to the I-Bank by Authorized Officers of the Borrower, and duly authenticated by the trustee or the paying agent pursuant to the Borrower Note Resolution. This Note has been duly issued by the Borrower and duly sold by the Borrower to the I-Bank and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as the enforcement thereof may be affected by bankruptcy, insolvency or other similar laws or the application by a court of legal or equitable principles affecting creditors' rights.

(c) Pending Litigation. There are no proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower that, if adversely determined, would

adversely affect (i) the condition (financial or otherwise) of the Borrower, (ii) the adoption of the Borrower Note Resolution, (iii) the ability of the Borrower to satisfy all of its Loan repayment obligations hereunder, (iv) the authorization, execution, attestation, authentication or delivery of this Note, (v) the issuance of this Note and the sale thereof to the I-Bank, and (vi) the Borrower's ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Note, including, without limitation, the undertaking and completion of the Project.

(d) Compliance with Existing Laws and Agreements; Governmental Consent. (i) The authorization, execution, attestation and delivery of this Note by the Borrower, (ii) the authentication of this Note by the trustee or paying agent pursuant to the Borrower Note Resolution, (iii) the adoption of the Borrower Note Resolution, (iv) the sale of this Note to the I-Bank, (v) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder, including, without limitation, the repayment of the Loan and all other amounts due hereunder, and (vi) the undertaking and completion of the Project, will not (A) other than the lien, charge or encumbrance created by this Note and by any other outstanding debt obligations of the Borrower that are at parity with this Note as to lien on, and source and security for payment thereon from, the Revenues of the Borrower's Environmental Infrastructure System, result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Borrower pursuant to, (B) result in any breach of any of the terms, conditions or provisions of, or (C) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter, applicable law or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations are subject. The Borrower has obtained all permits and approvals required to date by any governmental body or officer for the authorization, execution, attestation, authentication and delivery of this Note, for the issuance and sale of this Note to the I-Bank, for the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Note, including, without limitation, the undertaking and completion of the Project (provided, that, with respect to the undertaking and completion of the Project, such permits and approvals are obtainable by the Borrower as of the date hereof).

(e) I-Bank Credit Policy. The Borrower is in full compliance with the applicable requirements of the Credit Policy as in effect on the date hereof.

(f) Reliance. The Borrower hereby acknowledges that the I-Bank is making the Loan to the Borrower pursuant to the terms hereof in reliance upon each of the representations of the Borrower set forth in this Section 2.

SECTION 3. Covenants of the Borrower.

(a) Participation in the Anticipated Financing Program. The Borrower covenants and agrees that it shall undertake and complete in a timely manner all conditions precedent identified by the I-Bank relating to (i) the participation by the Borrower in the Anticipated Financing Program and (ii) the qualification by the Borrower for receipt of the Anticipated Long-Term Loan.

(b) Full Faith and Credit Pledge. The Borrower irrevocably pledges the Revenues in accordance with the terms of, and to the extent provided in, the Borrower Note Resolution, for the punctual payment of any and all obligations and amounts due under this Note (including, without limitation, the payment of the Administrative Fee in the amount and at the time as required by the provisions of Section 4(b) hereof). The Borrower acknowledges that, to assure the continued operation and solvency of the I-Bank, the I-Bank may, pursuant to and in accordance with Section 12a of the Act, require that if the Borrower fails or is unable to pay promptly to the I-Bank in full any Loan repayments, any Interest or any other amounts due pursuant to this Note, an amount sufficient to satisfy such deficiency shall be paid by the State Treasurer to the I-Bank from State-aid otherwise payable to any municipality or county to which the Borrower provides services pursuant to a contractual arrangement.

(c) Disposition of Environmental Infrastructure System. The Borrower covenants and agrees that it shall not sell, lease, abandon or otherwise dispose of all or substantially all of its Environmental Infrastructure System without the express written consent of the I-Bank, which consent may or may not be granted by the I-Bank in its sole discretion.

(d) Financing With Tax-Exempt Bonds. The Borrower acknowledges, covenants and agrees that it is the intention of the Borrower to finance the Project, in whole or in part, on a long-term basis with proceeds of I-Bank Bonds now or hereinafter issued, the interest on which is excluded from gross income for purposes of federal income taxation pursuant to Section 103(a) of the Code ("tax-exempt bonds"). In furtherance of such long-term financing with tax-exempt bonds, the Borrower covenants that, except to the extent expressly permitted in writing by the I-Bank, in its sole discretion, the Borrower will not take any action or permit any action to be taken which would result in any of the proceeds of the Loan being used (directly or indirectly) (i) in any "private business use" within the meaning of Section 141(b)(6) of the Code, (ii) to make or finance loans to persons other than the Borrower, or (iii) to acquire any "nongovernmental output property" within the meaning of Section 141(d)(2) of the Code. In addition, the Borrower covenants and agrees that no portion of the Project will be investment property, within the meaning of Section 148(b) of the Code. The Borrower covenants and agrees that any Costs of the Borrower's Project to be paid or reimbursed with proceeds of the Loan will result in the expenditure of proceeds under Treasury Regulations §1.148-6(d) and Treasury Regulations §1.150-2.

(e) Operation and Maintenance of Environmental Infrastructure System. The Borrower covenants and agrees that it shall maintain its Environmental Infrastructure System in good repair, working order and operating condition, and make all necessary and proper repairs and improvements with respect thereto.

(f) Records and Accounts; Inspections. The Borrower covenants and agrees that it shall keep accurate records and accounts for its Environmental Infrastructure System, separate

and distinct from its other records and accounts, which shall be made available for inspection by the I-Bank upon prior written notice. The Borrower covenants and agrees that it shall permit the I-Bank (and any party designated thereby to act on its behalf or to assist it, including, without limitation, its professional advisors), at any and all reasonable times during construction of the Project and, thereafter, upon prior written notice, (i) to visit, inspect and examine the property constituting the Project and the site on which the Project is located, and (ii) to inspect (and make and retain copies of) any Borrower accounts, books, records, correspondence and files, including, without limitation, Borrower records regarding contracts, receipts, disbursements, investments and the overall financial standing of the Borrower, and any other matters related to the Borrower, the Project and the forgoing list of deliverables. In furtherance of the intent of this subsection, the Borrower covenants and agrees that it shall promptly prepare and provide such written reports and informational summaries as the I-Bank may reasonably require.

(g) Insurance. The Borrower covenants and agrees that it shall maintain insurance policies providing against risk of direct physical loss, damage or destruction of its Environmental Infrastructure System, in an amount that will satisfy all applicable regulatory requirements. The Borrower covenants and agrees that it shall include, or cause to be included, the I-Bank as an additional "named insured" on any certificate of liability insurance procured by the Borrower and by any contractor or subcontractor for the Project.

(h) Reliance. The Borrower hereby acknowledges that the I-Bank is making the Loan to the Borrower pursuant to the terms hereof in reliance upon each of the covenants of the Borrower set forth in this Section 3.

SECTION 4. Disbursement of the Loan Proceeds; Amounts Payable; Prepayment; and Late Fee.

(a) The I-Bank shall effectuate the Loan to the Borrower by making one or more disbursements to the Borrower promptly after receipt by the I-Bank of a Loan Disbursement Requisition and the approval of such Loan Disbursement Requisition by an Authorized Officer of the I-Bank, or a designee thereof, each such disbursement and the date thereof to be recorded and maintained by an Authorized Officer of the I-Bank, or a designee thereof, in the records of the I-Bank with respect to the Loan; provided, however, that the approval by the I-Bank of any Loan Disbursement Requisition for disbursement pursuant to the terms hereof shall be subject to the terms, conditions and limitations as set forth in Section 4(d) of this Note. It is expected that the proceeds of the Loan will be disbursed to the Borrower in accordance with the schedule set forth in Exhibit C hereto, as Exhibit C shall be supplemented by an Authorized Officer of the I-Bank by means of either a substitute Exhibit C or an additional Exhibit C, such supplement to be implemented concurrently with the supplement to Exhibit A-1 hereto (as provided in the definition of "Project" as set forth herein). The latest date upon which the Borrower may submit to the I-Bank a Loan Disbursement Requisition is the business day immediately preceding the date fixed by the I-Bank for the sale of its I-Bank Bonds in connection with the Anticipated Financing Program, or such alternative date as shall be identified by the I-Bank for the Borrower in writing.

(b) Notwithstanding the provisions of Section 4(a) to the contrary, the Borrower hereby acknowledges and agrees, as follows: (i) to the extent that all or a portion of the Interest is funded by the Loan (as provided pursuant to Exhibit B hereto, as Exhibit B may hereafter be amended or supplemented as provided by the provisions hereof), payment of such Interest shall

be made to the I-Bank via one or more disbursements by the I-Bank hereunder, at the times and in the amounts, as and to the extent provided in one or more written notices provided to the Borrower pursuant to the terms hereof by an Authorized Officer of the I-Bank, or a designee thereof, and each such disbursement shall be recorded by an Authorized Officer of the I-Bank or a designee thereof, and maintained in the records of the I-Bank with respect to the Loan; and (ii) on the date of issuance of this Note, a disbursement shall be made and shall be recorded and maintained by an Authorized Officer of the I-Bank, or a designee thereof, in the records of the I-Bank with respect to the Loan for the purpose of funding fifty percent (50%) of the Administrative Fee identified in Exhibit B hereto, with such disbursement (and any subsequent and supplemental disbursements made pursuant to Exhibit B hereto, as Exhibit B may hereafter be amended or supplemented as provided by the provisions hereof) being made by the I-Bank on behalf of the Borrower directly to the NJDEP. The Borrower further acknowledges and agrees that the remaining unpaid balance of the Administrative Fee shall be due and payable on the Maturity Date or as otherwise established by the I-Bank pursuant to the terms of the Anticipated Financing Program.

(c) On the Maturity Date or, with respect to the payment of all or a portion of the Interest, on the applicable Payment Date(s) as and to the extent provided herein, the Borrower shall repay the Loan to the I-Bank in an amount equal to: (i) the Principal; (ii) the Interest then due and owing pursuant to the provisions of this Note; and (iii) any other amounts then due and owing pursuant to the provisions of this Note. The Borrower may prepay the Loan obligations hereunder, in whole or in part, upon receipt of the prior written consent of an Authorized Officer of the I-Bank. Each payment made to the I-Bank shall be applied to the payment of, first, the Interest then due and payable, second, the Principal, third, any late charges, and, finally, any other amount then due and payable pursuant to the provisions of this Note. In the event that the repayment obligation set forth in this Note is received by the I-Bank later than the Maturity Date or the Payment Date, as the case may be, a late fee shall be payable to the I-Bank in an amount equal to the greater of twelve percent (12%) per annum or the prime rate as published in the Wall Street Journal on the Maturity Date or the Payment Date, as the case may be, plus one half of one percent per annum on such late payment from the Maturity Date or the Payment Date, as the case may be, to the date it is actually paid; provided, however, that any late payment charges incurred hereunder shall not exceed the maximum interest rate permitted by law.

(d) Notwithstanding the provisions of this Note to the contrary with respect to the funding, pursuant to Section 4(a) hereof, of any Loan Disbursement Requisition relating to all or any portion of the Project, the Borrower hereby acknowledges and agrees, as follows: (i) the I-Bank shall not, and shall not be required to, commit funds, pursuant to the Water Bank Construction Financing Program of the I-Bank, to any portion of the Project until such time as the particular portion of the Project in question has been certified for funding by the NJDEP; (ii) no Loan Disbursement Requisition shall be approved by the I-Bank for disbursement pursuant to Section 4(a) hereof unless and until the portion of the Project to which such Loan Disbursement Requisition relates has been certified for funding by the NJDEP; and (iii) the I-Bank has no obligation pursuant to this Note to make all or any portion of any Loan Disbursement Requisition disbursement pursuant to the provisions of Section 4(a) hereof if the Borrower lacks the authority to pay interest on this Note in an amount equal to the Interest Rate.

SECTION 5. Unconditional Obligations. The obligation of the Borrower to make the Loan repayments and all other payments required hereunder and the obligation to perform and observe the other duties, covenants, obligations and agreements on its part contained herein shall

be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner whatsoever while any Loan repayments, or any other payments due hereunder, remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project or Environmental Infrastructure System, commercial frustration of the purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the I-Bank to perform and observe any agreement or any duty, liability or obligation arising out of this Note, or any rights of set-off, recoupment, abatement or counterclaim that the Borrower might have against the I-Bank or any other party; provided, however, that payments hereunder shall not constitute a waiver of any such rights.

SECTION 6. Events of Default. The following events shall constitute an "Event of Default" hereunder: (i) failure by the Borrower to pay, when due, any and all of its Loan repayment obligations hereunder, and any other payment obligations due hereunder; (ii) failure by the Borrower to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed pursuant to the terms of this Note; (iii) any representation made by the Borrower contained in this Note or in any instrument furnished in compliance with or with reference to this Note is false or misleading in any material respect; and (iv) a petition is filed by or against the Borrower under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Note or thereafter enacted, unless in the case of any such petition filed against the Borrower such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal, or the Borrower shall become insolvent or bankrupt or shall make an assignment for the benefit of its creditors, or a custodian of the Borrower or any of its property shall be appointed by court order or take possession of the Borrower or its property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

SECTION 7. Remedies upon Event of Default. Whenever an Event of Default shall have occurred and be continuing pursuant to the terms hereof, the Borrower hereby acknowledges and agrees to the rights of the I-Bank to take any action permitted or required at law or in equity to collect the amounts then due and thereafter to become due hereunder or to enforce the observance and performance of any duty, covenant, obligation or agreement of the Borrower hereunder. If an Event of Default shall have occurred, the Borrower hereby acknowledges and agrees that the I-Bank shall have the right to (i) immediately cease disbursements of the proceeds of the Loan, and/or (ii) declare all Loan repayments and all other amounts due hereunder to be due and payable immediately without further notice or demand. The Borrower hereby acknowledges and agrees that no remedy herein is intended to be exclusive, and every remedy shall be cumulative and in addition to every other remedy given under this Note or now or hereafter existing at law or in equity. The Borrower hereby further acknowledges and agrees that no delay or omission by the I-Bank to exercise any remedy or right accruing upon any Event of Default shall impair any such remedy or right or shall be construed to be a waiver thereof, but any such remedy or right may be exercised as often as may be deemed expedient. The Borrower hereby further acknowledges and agrees that, pursuant to the I-Bank's Credit Policy, during such time as an Event of Default has occurred and is continuing hereunder, the Borrower shall be ineligible for additional financial assistance from the I-Bank (including, without limitation, long-term financing through the Anticipated Financing Program), in addition

to certain other consequences set forth in the Credit Policy. The Borrower hereby agrees that upon demand it shall pay to the I-Bank the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in house counsel and legal staff) incurred in the collection of Loan repayments or any sum due hereunder or in the enforcement of the observation or performance of any obligations or agreements of the Borrower upon an Event of Default. Any moneys collected by the I-Bank pursuant to this Section 7 shall be applied first to pay any attorneys' fees or other fees and expenses owed by the Borrower.

SECTION 8. Certain Miscellaneous Provisions. The Borrower hereby acknowledges and agrees as follows: (a) all notices hereunder shall be deemed given when hand delivered or when mailed by registered or certified mail, postage prepaid, to the Borrower at the following address: The Carneys Point Sewerage Authority, 303 Harding Highway, Carneys Point, New Jersey, Attention: Patricia Willis, Business Manager; and to the I-Bank at the following address: New Jersey Infrastructure Bank, 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey 08648-2201, Attention: Executive Director; (b) this Note shall be binding upon the Borrower and its successors and assigns; (c) in the event any provision of this Note is held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof; (d) the obligations of the Borrower pursuant to the terms of this Note may not be assigned by the Borrower for any reason, unless the I-Bank shall have approved said assignment in writing; (e) this Note may not be amended, supplemented or modified without the prior written consent of the I-Bank; (f) this Note shall be governed by and construed in accordance with the laws of the State; (g) the Borrower shall, at the request of the I-Bank, execute and deliver such further instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Note; (h) whenever the Borrower is required to obtain the determination, approval or consent of the I-Bank pursuant to the terms hereof, such determination, approval or consent may be either granted or withheld by the I-Bank in its sole and absolute discretion; and (i) consistent with the provisions of N.J.S.A. 58:11B-13, neither the directors of the I-Bank nor any officers of the I-Bank taking any action with respect to this Loan shall be liable personally with respect to the Loan or any matters or transactions related thereto.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed, sealed and delivered on the date first above written.

**THE CARNEYS POINT TOWNSHIP
SEWERAGE AUTHORITY**

[SEAL]

By: 

KEN BROWN, Chairperson

ATTEST:



~~DR. JOSEPH F. RACITE, Secretary~~

Laurence Basile, Alt Treasurer/Secretary

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 2023A". 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 Signatory

Date of Authentication: _____