

**GLOUCESTER TOWNSHIP COUNCIL MEETING  
AUGUST 26, 2019  
MUNICIPAL BUILDING, CHEWS LANDING NEW JERSEY**

Pledge Allegiance to the Flag

Invocation: Reverend David McMurray

Statement: Mr. Mercado read a statement setting forth the time, date and place of this meeting, that it was properly advertised, posted and filed in the Office of the Township Clerk pursuant to the Open Public Meetings Act.

**ROLL CALL:**

Mr. Hutchison	Mr. Carlamere, Solicitor
Mr. Owens	Mr. Cardis, Business Administrator
Mrs. Stubbs-abs	Mrs. Power, Township Clerk, RMC
Mrs. Winters	Mr. Lechner, Community Development-abs.
Mr. Mignone	Sgt. Grannan, Police
Mrs. Trotto	Mr. Chadwell, Township Engineer
Mr. Mercado	

**PUBLIC PORTION:**

Mr. Mercado opened the public portion.  
There being no comment, the public portion was closed.

**BID REPORT:**

**CHERRYWOOD ROAD IMPROVEMENT PROGRAM PHASE 8  
BIDS RECEIVED AUGUST 15, 2019 @ 10:00 AM**

<u>CONTRACTOR</u>	<u>BASE BID NO.1</u>	<u>BASE BID NO.2</u>
Asphalt Paving Systems	\$248,400.00	\$313,000.00

Mr. Hutchison made a motion to accept the bid, seconded by Mrs. Trotto. Roll call vote: All in favor. Motion carried. 6-0.

**ORDINANCES: SECOND READING – PUBLIC HEARING**

**O-19-13 ORDINANCE AMENDING CHAPTER 72 OF THE CODE OF THE TOWNSHIP OF GLOUCESTER ENTITLED, “STREETS AND SIDEWALKS”**

Mr. Mercado opened the public hearing.  
There being no comment the public hearing was closed.

Mr. Hutchison made a motion to adopt, seconded by Mrs. Winters. Roll call vote: All in favor. Motion carried. 6-0.

**O-19-14 BOND ORDINANCE OF THE TOWNSHIP OF GLOUCESTER AUTHORIZING VARIOUS IMPROVEMENTS TO THE STORMWATER DRAINAGE SYSTEM IN THE TOWNSHIP OF GLOUCESTER, COUNTY OF CAMDEN, NEW JERSEY; APPROPRIATING THE SUM OF \$1,700,000 THEREFORE; AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OR BOND ANTICIPATION NOTES OF THE TOWNSHIP OF GLOUCESTER, COUNTY OF CAMDEN, NEW JERSEY IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$1,700,000; MAKING CERTAIN DETERMINATIONS AND COVENANTS; AND AUTHORIZING CERTAIN RELATED ACTIONS IN CONNECTION WITH THE FOREGOING**

Mr. Mercado opened the public hearing.  
Peter Heinbaugh of Morningstar Court asked Council why this project was not in the 2019

budget. Mr. Cardis explained the township is using NJEIT funds and these funds cannot be combined with the general obligation bond. Mr. Heinbaugh asked if the project was known when the budget was finalized. Mr. Cardis explained the general obligation bond has nothing to do with the capital budget, but drainage projects were part of the discussion with Council and administration. At the time, the exact drainage projects were not known. Mr. Heinbaugh stated CES gives Pay to Play contributions to Council and asked why. Mr. Mercado advised Mr. Heinbaugh to ask CES why they donate.

Sam Sweet of Erial asked for clarification on the bond ordinance. Mr. Cardis explained the benefits to using NJEIT funds instead of a general obligation bond. Mr. Sweet asked if the township could budget for stormwater drainage repairs to avoid borrowing funds next year. Mr. Cardis explained it is a long term project with attractive financing that could also be applied to streets in the future. Mr. Sweet asked if the township could complete more than five outfall repairs per year citing the example of 200 next year and 200 the year after. Mr. Cardis explained the township could never afford to complete that many. The most pressing issues are addressed first.

Ray Polidoro of Erial asked council if surplus funds could be used rather than borrowing funds. Mr. Cardis explained that surplus funds are in the general fund used to offset taxation and has nothing to do with capitalization. Mr. Polidoro asked Council if funds raised by the 23 cents gas tax have been requested to repair the township's county and state roads. Mr. Chadwell stated every municipality applies for these funds every year.

Sam Sweet of Erial asked Council if Resolution 248 pertains to the bond ordinance. Mr. Cardis stated the resolution is required to be sent to the local finance board for the NJEIT program. Mr. Sweet asked if the funding through NJEIT was a bond. Mr. Cardis stated it is a loan program. There being no comment the public hearing was closed.

Mr. Hutchison made a motion to adopt, seconded by Mrs. Trotto. Roll call vote: All in favor. Motion carried. 6-0.

**RESOLUTIONS:  
CONSENT AGENDA**

**R-19:08-245**

**RESOLUTION AUTHORIZING PAYMENT OF BILLS**

**BE IT RESOLVED BY THE** Township Council of the Township of Gloucester, in the County of Camden, that the following bills are approved by the Township Council in accordance with the provisions of Ordinance 0-82-16 and certified by the Chief Financial Officer that the claims are proper obligation of the township, that adequate funds are available to honor these claims in the account indicated and the claim should be paid:

**CURRENT ACCOUNT**

Per attached computer readout of the claims presented in the amount of \$ 778,704.37

**CAPITAL ACCOUNT**

Per attached computer read out of the claims presented in the amount of \$ 405,758.27

**DEVELOPERS ESCROW**

Per attached computer read out of the claims presented in the amount of \$ 12,135.00

**TRUST**

Per attached computer readout of the claims presented in the amount of \$ 44,433.12

**ANIMAL**

Per attached computer readout of the claims presented in the amount of \$ 690.00

**MANUAL CHECKS**

Per attached computer readout of the claims presented in the amount of \$ 387,817.95

Adopted: August 26, 2019

ATTEST:

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Council President  
Orlando Mercado

Township Clerk, RMC  
Nancy Power

Mrs. Winters made a motion to adopt, seconded by Mrs. Trotto. Roll call vote: Mr. Owens abstained from Purchase Order 19-04385. All in favor. Motion carried. 6-0.

**R-19:08-246**

**RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT BETWEEN  
THE TOWNSHIP OF GLOUCESTER AND ASPHALT PAVING SYSTEMS, INC.  
FOR THE CHERRYWOOD ROAD IMPROVEMENT PROGRAM PHASE 8**

**WHEREAS**, the Township Council of the Township of Gloucester, County of Camden, determined that there is a need for the Cherrywood Road Improvement Program Phase 8

**WHEREAS**, sufficient funds have been provided, and

**WHEREAS**, the Township Council received bids or quotes

**NOW, THEREFORE, BE IT RESOLVED** by the Township Council of the Township of Gloucester that the proper Township Officials are hereby authorized to enter into an agreement with Asphalt Paving Systems, Inc. for the Cherrywood Road Improvement Program in the amount of \$248,400.00 which was the lowest bid or quote received.

Adopted: August 26, 2019

ATTEST:

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President of Council  
Orlando Mercado

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Township Clerk, RMC  
Nancy Power

Mrs. Winters made a motion to adopt, seconded by Mrs. Trotto. Roll call vote: All in favor. Motion carried. 6-0.

**R-19:08-247**

**RESOLUTION GRANTING PERMISSION TO MAINSTAGE CENTER FOR THE  
ARTS TO CLOSE A PORTION OF THE BLACK HORSE PIKE IN THE TOWNSHIP  
OF GLOUCESTER FOR THE ANNUAL PUMPKIN FESTIVAL**

**WHEREAS**, Mainstage Center for the Arts requests permission from the Township Council of the Township of Gloucester to close a portion of the Black Horse Pike from Church Street to Lake Avenue to hold its annual Pumpkin Festival, on Sunday, October 6, 2019 beginning at 6:30 am through 6:00 pm; and

**WHEREAS**, pursuant to State Law, the governing body of the Township of Gloucester must grant permission by Resolution authorizing the closing of a state road, before a permit is issued by the State of New Jersey; and

**NOW, THEREFORE, IT IS HEREIN RESOLVED**, that Mainstage Center for the Arts is hereby granted permission by the Township Council of the Township of Gloucester to close a portion of the Black Horse Pike, from Church Street to Lake Avenue for the annual Pumpkin Festival.

Adopted: August 26, 2019

ATTEST:

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Council President  
Orlando Mercado

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Township Clerk, RMC

Nancy Power

Mrs. Winters made a motion to adopt, seconded by Mrs. Trotto. Roll call vote: All in favor. Motion carried. 6-0.

**R-19:08-248**

**RESOLUTION OF THE TOWNSHIP OF GLOUCESTER, IN THE COUNTY OF CAMDEN, NEW JERSEY, DETERMINING THE FORM AND OTHER DETAILS OF ITS “NOTE RELATING TO THE CONSTRUCTION FINANCING LOAN PROGRAM OF THE NEW JERSEY INFRASTRUCTURE BANK”, TO BE ISSUED IN THE PRINCIPAL AMOUNT OF UP TO \$1,550,000, AND PROVIDING FOR THE ISSUANCE AND SALE OF SUCH NOTE TO THE NEW JERSEY INFRASTRUCTURE BANK, AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH NOTE BY THE TOWNSHIP OF GLOUCESTER IN FAVOR OF THE NEW JERSEY INFRASTRUCTURE BANK, ALL PURSUANT TO THE NEW JERSEY INFRASTRUCTURE BANK CONSTRUCTION FINANCING LOAN PROGRAM.**

**WHEREAS**, the Township of Gloucester (the “Local Unit”), in the County of Camden, New Jersey, has determined that there exists a need within the Local Unit for the Completion of Various Improvements to the Stormwater Drainage System (the “Project”), and it is the desire of the Local Unit to obtain financing for such Project through participation in the environmental infrastructure financing program (the “New Jersey Water Bank”) of the New Jersey Infrastructure Bank (the “I-Bank”);

**WHEREAS**, the Local Unit has determined to temporarily finance the Project prior to the closing with respect to the New Jersey Water Bank, and to undertake such temporary financing with the proceeds of a short-term loan to be made by the I-Bank (the “Construction Loan”) to the Local Unit, pursuant to the Construction Financing Loan Program of the I-Bank (the “Construction Financing Loan Program”);

**WHEREAS**, in order to (i) evidence and secure the repayment obligation of the Local Unit to the I-Bank with respect to the Construction Loan and (ii) satisfy the requirements of the Construction Financing Loan Program, it is the desire of the Local Unit to issue and sell to the I-Bank the “Note Relating to the Construction Financing Loan Program of the New Jersey Infrastructure Bank” in an aggregate principal amount of up to \$1,550,000 (the “Note”);

**WHEREAS**, it is the desire of the Local Unit to authorize, execute, attest and deliver the Note to the I-Bank pursuant to the terms of the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the Revised Statutes of the State of New Jersey (the “Local Bond Law”), and other applicable law; and

**WHEREAS**, Section 28 of the Local Bond Law allows for the sale of the Note to the I-Bank, without any public offering, and N.J.S.A. 58:11B-9 allows for the sale of the Note to the I-Bank without any public offering, all under the terms and conditions set forth therein.

**NOW, THEREFORE, BE IT RESOLVED** by the governing body of the Local Unit as follows:

**Section 1.** In accordance with Section 28 of the Local Bond Law and N.J.S.A. 58:11B-9, the Local Unit hereby authorizes the issuance, sale and award the Note in accordance with the provisions hereof. The obligation represented by the Note has been appropriated and authorized by bond ordinance 16-02 of the Local Unit, which bond ordinance is entitled “BOND ORDINANCE AUTHORIZING VARIOUS IMPROVEMENTS TO THE STORMWATER DRAINAGE SYSTEM IN THE TOWNSHIP OF GLOUCESTER, COUNTY OF CAMDEN, NEW JERSEY; APPROPRIATING THE SUM OF \$1,550,000 THEREFOR; AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OR BOND ANTICIPATION NOTES OF THE TOWNSHIP OF GLOUCESTER, COUNTY OF CAMDEN, NEW JERSEY IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO \$1,550,000; MAKING CERTAIN DETERMINATIONS AND COVENANTS; AND AUTHORIZING CERTAIN RELATED ACTIONS IN CONNECTION WITH THE FOREGOING” and was finally adopted by the Local Unit at a meeting duly called and held on January 25, 2016 at which time a quorum was present and acted throughout, all pursuant to the terms of the Local Bond Law and other applicable law.

**Section 2.** The Chief Financial Officer of the Local Unit (the “Chief Financial Officer”) is hereby authorized to determine, in accordance with the Local Bond Law and pursuant

to the terms and conditions hereof, (i) the final principal amount of the Note (subject to the maximum limitation set forth in Section 4(a) hereof), and (ii) the dated date of the Note.

**Section 3.** Any determination made by the Chief Financial Officer pursuant to the terms hereof shall be conclusively evidenced by the execution and attestation of the Note by the parties authorized pursuant to Section 4(h) hereof.

**Section 4.** The Local Unit hereby determines that certain terms of the Note shall be as follows:

- (a) the principal amount of the Note to be issued shall be an amount up to \$1,550,000;
- (b) the maturity of the Note shall be as determined by the I-Bank;
- (c) the interest rate of the Note shall be as determined by the I-Bank;
- (d) the purchase price for the Note shall be par;
- (e) the Note shall be subject to prepayment prior to its stated maturity in accordance with the terms and conditions of the Note;
- (f) the Note shall be issued in a single denomination and shall be numbered “CFP-\_\_ -\_\_”;
- (g) the Note shall be issued in fully registered form and shall be payable to the registered owner thereof as to both principal and interest in lawful money of the United States of America; and
- (h) the Note shall be executed by the manual or facsimile signatures of the Mayor and the Chief Financial Officer under official seal or facsimile thereof affixed, printed, engraved or reproduced thereon and attested by the manual signature of the Local Unit Clerk.

**Section 5.** The Note shall be substantially in the form attached hereto as Exhibit A.

**Section 6.** The law firm of Parker McCay P.A., Mount Laurel, New Jersey, is hereby authorized to arrange for the printing of the Note, which law firm may authorize McCarter & English, LLP, bond counsel to the I-Bank for the Construction Loan Financing Program, to arrange for same.

**Section 7.** The Authorized Officers of the Local Unit are hereby further severally authorized to (i) execute and deliver, and the Local Unit Clerk is hereby further authorized to attest to such execution and to affix the corporate seal of the Local Unit to, any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Officers or the Secretary of the Local Unit, as applicable, in their respective sole discretion, after consultation with counsel and any advisors to the Local Unit and after further consultation with the I-Bank and its representatives, agents, counsel and advisors, to be executed in connection with the issuance and sale of the Note and the participation of the Local Unit in the Construction Financing Loan Program, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Authorized Officers deem necessary, desirable or convenient in relation to the execution and delivery of the Note and the participation of the Local Unit in the Construction Financing Loan Program.

**Section 8.** This resolution shall take effect immediately.

**Section 9.** Upon the adoption hereof, the Local Unit Clerk shall forward certified copies of this resolution to Parker McCay P.A., Mount Laurel, New Jersey, bond counsel to the Local Unit, David Zimmer, Executive Director of the I-Bank, and Richard T. Nolan, Esq., McCarter & English, LLP, bond counsel to the I-Bank.

Exhibit “A”

**TOWNSHIP OF GLOUCESTER  
County of Camden, New Jersey  
NOTE**

**RELATING TO:**

**THE WATER BANK CONSTRUCTION FINANCING PROGRAM  
OF THE NEW JERSEY INFRASTRUCTURE BANK**

\$ \_\_\_\_\_, 201\_\_

NJWB - CFP-19-\_\_

**FOR VALUE RECEIVED**, the Township of Gloucester, County of Camden, New Jersey, a municipal corporation duly created and validly existing pursuant to the laws of the State (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 note (this “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.

**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.

“**Appropriation Condition**” means the procedural appropriation by the State for the Project through the inclusion of the Project on the Project Priority List (which Project Priority List is required pursuant to the Act) in an appropriation amount equal to or greater than the Principal amount of the Loan then due and payable by the Borrower pursuant to the terms hereof.

“**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.

“**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.

“**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 for a given State Fiscal Year in a manner consistent with the terms and provisions of the Financial Plan for such State Fiscal Year.

“**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.

“**Maturity Date**” means June 30, 2025, subject, however, to earlier or later maturity to the extent provided by each of the following: (i) subject to such earlier date that shall be the earlier of (A) the date that shall be the second anniversary of the date of issuance of this Note, in the event that, by such date, the construction contract relating to the Project has not been certified for funding by the NJDEP, or (B) June 30 of the third State Fiscal Year following the State Fiscal Year during which the construction contract relating to the Project has been certified for funding by the NJDEP, provided that such date is prior to June 30, 2024; (ii) subject to 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; or (iii) subject to 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 approved by an Authorized Officer of the Borrower; subject, in all events, to the rights and remedies of the I-Bank pursuant to, respectively, 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 obligations of the Borrower hereunder, including, without limitation and in particular, the covenant obligation of the Borrower set forth in Section 3 hereof.

“**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) \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), 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.

“**State**” means the State of New Jersey.

**SECTION 2. Representations of the Borrower.** The Borrower hereby represents and warrants to the I-Bank, as follows:

(a) Organization. The Borrower: (i) is a municipal corporation duly created and validly existing under and pursuant to the Constitution and laws of the State; (ii) has full legal right and authority to execute, attest, issue and deliver 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 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 and duly executed, attested and delivered to the I-Bank by Authorized Officers of the Borrower. 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 ability of the Borrower to satisfy all of its Loan repayment obligations hereunder, (iii) the authorization, execution, attestation or delivery of this Note, (iv) the issuance of this Note and the sale thereof to the I-Bank, and (v) the Borrower's ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Note.

(d) Compliance with Existing Laws and Agreements; Governmental Consent. (i) The due authorization, execution, attestation and delivery of this Note by the Borrower and the issuance and sale of this Note to the I-Bank, (ii) 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 (iii) 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 general tax revenues of the Borrower, 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 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, and for 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) 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. To secure the repayment obligation of the Borrower with respect to this Note, and all other 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 unconditionally and irrevocably pledges its full faith and credit and covenants to exercise its unlimited taxing powers for the punctual payment of any and all obligations and amounts due under this Note. 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 the Borrower.

(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 audited annually by an independent registered municipal accountant and shall be made available for inspection by the I-Bank upon prior written notice. The Borrower shall permit the I-Bank and any party designated thereby, at any and all reasonable times during construction of the Project and thereafter, upon prior written notice, to examine, visit and inspect the property, if any, constituting the Project.

(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 designee thereof, each such disbursement and the date thereof to be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto; 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 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, and each such disbursement shall be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto; and (ii) on the date of issuance of this Note, a disbursement shall be made and shall be recorded by an Authorized Officer of the I-Bank on the table attached as Exhibit A-2 hereto in the amount recorded thereon, 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 for the purpose of funding fifty percent (50%) of

the Administrative Fee and paid by the I-Bank on behalf of the Borrower directly to the NJDEP in satisfaction of the provisions hereof. 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 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; (iii) no Loan Disbursement Requisition shall be approved by the I-Bank for disbursement pursuant to Section 4(a) hereof unless and until the Appropriation Condition has been satisfied to an extent and in an amount that is sufficient to fund, in the aggregate, the particular Loan Disbursement Requisition in question and all prior Loan Disbursement Requisitions; and (iv) 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 direct, general 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 "New Jersey Infrastructure Bank Credit Policy", adopted by the Board of Directors of the I-Bank, and as further amended and supplemented from time to time (the "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: Township of Gloucester, P.O. Box 8, Blackwood, New Jersey 08012, Attention: Christie Ehret, Chief Financial Officer; 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.

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

Adopted: August 26, 2019

**TOWNSHIP OF GLOUCESTER, NEW JERSEY**

[SEAL]

By: \_\_\_\_\_  
**Orlando Mercado, President of Council**

By: \_\_\_\_\_  
**CHRISTIE EHRET, Chief Financial Officer**

**ATTEST:**

\_\_\_\_\_  
**NANCY POWER, Municipal Clerk**

**EXHIBIT A-2**

**Loan Disbursements**

<b>Date of Loan Disbursement</b>	<b>Amount of Loan Disbursement:</b>	<b>Applicable Interest Rate for Loan Disbursement:</b>

Mrs. Winters made a motion to adopt, seconded by Mrs. Trotto. Roll call vote: All in favor. Motion carried. 6-0.

**PUBLIC PORTION:**

Mr. Mercado opened the public portion.

Paul Krug of Blackwood asked Council if Camden County was contacted regarding the state of county roads in the township. Mr. Cardis stated no. Mr. Krug stated he contacted the county regarding Lakeland, Almonesson, and Erial Road.

Ray Polidoro stated he was told the approximate cost to repave roads in the township was \$1 million per mile. Mr. Chadwell stated the approximate cost depends on numerous factors, but that approximation is a good average. Mr. Polidoro asked Council for an updated approximation of the amount of open space within the township. Mr. Cardis advised Mr. Polidoro to check the state’s ROSI list.

Sam Sweet congratulated the police department on their new implemented 911 system. Mr. Sweet asked Council if the insurance was shopped out prior to joining the JIF. Mr. Cardis explained many municipalities participate in the JIF. Mr. Sweet questioned if Connor Strong was receiving two broker fees for subcontracting out to another company they own. Mr. Cardis stated the township has a broker of record agreement with Connor Strong. Mr. Carlamere stated the term subcontracting is a broad statement. Mr. Mercado instructed Mr. Sweet to forward the information he has to Mr. Cardis.

There being no further comment, the public portion was closed.

**POLLING OF COUNCIL:**

Mr. Hutchison thanked everyone for coming this evening.

Mr. Owens thanked everyone for coming. Mr. Owens sends his sympathies to Officer Walsh who was drugged by a car. Mr. Owens noted the summer camp provided by the Recreation center. Mr. Owens announced the September 13<sup>th</sup> movie night and the preschool registration. Mr. Owens thanked the first responders.

Mrs. Winters thanked everyone for coming out.

Mr. Mignone wished everyone luck with the upcoming 2019/2020 school year.

Mrs. Trotto wished everyone a good night.

Mr. Mercado announced the Mayor's office is accepting nominations for Spanish Heritage Month. Mr. Mercado stated the First Baptist Church of Blackwood and Chews Fire Company will be holding 911 memorial services.

Mr. Owens made a motion to adjourn, seconded by Mrs. Trotto. Roll call vote: All in favor. Motion carried. 6-0.

Respectfully submitted,

Nancy Power  
Township Clerk, RMC

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President of Council  
Orlando Mercado