March 13, 2018

Honorable Phil Murphy
Governor of the State of New Jersey
State House
PO Box 001
Trenton, New Jersey 08625

Dear Governor Murphy:

In accordance with the provisions of the New Jersey Infrastructure Trust Act, I hereby transmit for your review and consideration the minutes of the March 12, 2018 meeting of the New Jersey Infrastructure Bank. The New Jersey Infrastructure Trust Act provides that the Governor has ten days from the delivery of the minutes, excluding weekends and holidays, to review and accept such minutes. In the event that the minutes are not acted upon within the statutory time frame by you, the minutes become effective automatically.

Sincerely,

Mark Longo
Secretary

Enclosure
Cc: Honorable Stephen Sweeney, President of the Senate
Honorable Craig Coughlin, Speaker of the General Assembly
NEW JERSEY INFRASTRUCTURE BANK

OPEN PUBLIC MEETING
Monday, March 12, 2018

1. CALL TO ORDER:

A meeting of the New Jersey Infrastructure Bank was convened on Monday, March 12, 2018 in the conference room of 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey. Vice Chairman Briant called the meeting to order at 11:00 a.m.

2. OPEN PUBLIC MEETING ACT STATEMENT:

Executive Director Zimmer read the Open Public Meeting Act Statement into the record and reported that he had received letters from Acting DEP Commissioner Catherine McCabe appointing Ms. Michele Putnam and/or Mr. Eugene Chebra to be her designees, DCA Commissioner Sheila Oliver appointing Robert Long to be her designee and Acting State Treasurer Muoio appointing Mr. Michael Kanef and/or David Moore to be her designee for I-Bank Board Meetings.

3. ROLL CALL:

Ms. Nancy Collazo conducted roll call to which Mr. Briant, Mr. Longo, Mr. Ellis, Ms. Putnam, Mr. Russo, Mr. Kanef, and Mr. Long all responded affirmatively.

DIRECTORS
Robert A. Briant, Jr., Vice Chairman
Mark Longo, Secretary
Roger Ellis, Treasurer
Michele Putnam
(for DEP Commissioner Catherine R. McCabe)
Michael Kanef *
(for Acting State Treasurer Elizabeth M Muoio)
Mike Russo
(for DOT Commissioner Diane Gutierrez-Scaccetti)
Robert Long
(for DCA Commissioner Sheila Oliver)
(* ) Participated via teleconference

OTHERS
David E. Zimmer, Executive Director
Frank Scangarella, Assistant Director
Lauren Seidman Kaltman, Chief Financial Officer
Judy Karp, Legal and Compliance Officer
John Hansbury, Chief Budget Officer
Eugene Chebra, DEP, Municipal Finance & Construction Element
Adam Sternbach, Governor’s Authorities Unit
Clifford T. Rones, Deputy Attorney General
Richard Nolan, McCarter & English LLP *
Geoffrey Stewart, Public Financial Management *
4. **APPROVAL OF THE MINUTES:**

Vice Chairman Briant opened discussion of the minutes of the I-Bank’s February 2018 Board meeting.

There were no comments or questions. Vice Chairman Briant requested a motion for approval.

Mr. Ellis moved for the approval of the minutes. Mr. Longo seconded the motion. The motion was carried 6 to 0 with 1 abstentions.

5. **ANNOUNCEMENTS:**

Executive Director Zimmer summarized a number of the substantive events that have occurred since the last Board meeting and the related correspondence issued over the same time period:

- On February 23, 2018, Executive Director Zimmer joined DOT Assistant Commissioner, Mike Russo, and other DOT senior staff to present at NJ DOT’s Collaboration meeting to begin marketing the new transportation financing program;
- On February 21, 2018, Chief Operating Officer Frank Scangarella participated in the NAOIP’s Infrastructure and Logistics Seminar in Newark presenting the issues and structure of I-Bank conduit loans;
- The next I-Bank Board meeting is scheduled for Thursday, April 12, 2018 at 10:00 am at the I-Bank’s offices.

A copy of the announcements are available on the I-Bank’s webpage under the Recent Board Meeting Documents tab. [https://njeit.org/agenda](https://njeit.org/agenda) (locate “Meeting Date”, then select “Minutes”, the announcements will be at the end of the file.)

There were no comments or questions.

6. **PUBLIC COMMENTS:**

Vice Chairman Briant invited comments from the public. There were no comments.

7. **UNFINISHED BUSINESS:**

A. Mr. Scott Shymon, of the NJDEP’s Municipal Finance and Construction Element, reported that there are 256 active projects totaling $1,364,580,190 and 1245 closed projects with loans outstanding totaling $5,775,386,800 for a grand total of 1501 projects at $7,139,966,990.
B. Assistant Director Scangarella discussed the status of Water Bank Loan applications:

<table>
<thead>
<tr>
<th>Color</th>
<th>Description</th>
<th>Number of Contracts</th>
<th>Estimated Contract Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purple</td>
<td>Contracts Certified in Current FY</td>
<td>50</td>
<td>$333,255,837</td>
</tr>
<tr>
<td>Green</td>
<td>Contracts Received Auth. To Advertise</td>
<td>41</td>
<td>$208,224,056</td>
</tr>
<tr>
<td>Yellow</td>
<td>Projects/Contracts Under Active Review</td>
<td>136</td>
<td>$864,555,746</td>
</tr>
<tr>
<td>Light Red</td>
<td>Inactive Projects - Reactivation in Current FY</td>
<td>4</td>
<td>$24,900,000</td>
</tr>
</tbody>
</table>

Mr. Kanef asked for and received an explanation on the project approval and certification process. Mr. Long inquired as to the process by which a project is categorized as inactive. Assistant Director Scangarella noted that for a project to become inactive in H2LOans a business case must be provided by the borrower and signed off by a senior manager at DEP. Assistant DEP Commissioner Michele Putnam asked how a project is added back to the active list. Assistant Director Scangarella advised the reactivation date is established at the time of inactivation.

There were no further comments or questions.

C. Executive Director Zimmer reported on the status of the I-Bank’s outstanding Requests for Proposals (RFPs):

Pursuant to Resolution No. 18-02, for Internal Controls Audit services, the RFP was published on February 5, 2018 and a recommendation for contract award would be made at the April Board meeting.

Pursuant to Resolution No. 18-13, for Custodial Banking (Water Bank) services, the RFP was published on February 28, 2018 and a recommendation for contract award would be made at the April Board meeting.

D. Executive Director Zimmer next reported on the changes to the Construction and SAIL Loan Programs:

- The I-Bank received 6 new applications during the past month for Construction and SAIL Loans financing totaling $87.4M.
  - The I-Bank has received 27 Construction and SAIL Loan applications through February 28, 2018 $244.7M.

- The I-Bank closed 8 Construction and SAIL Loan applications since the last Board Meeting totaling $115.2M.
  - The I-Bank has 103 Construction and SAIL Loan’s outstanding to-date totaling $703.5M.

- The I-Bank disbursed $15.6 of funds since the last Board meeting to 40 projects.
  - 101 projects with open Construction and SAIL Loans have received disbursements from the I-Bank through January 31, 2018 totaling $228.9M, or approximately (32.54%) of outstanding short-term loans.
The Construction Loan Funding Report was furnished to the Board pursuant to Section 11 of Resolution No. 18-04 adopted by the I-Bank on January 11, 2018.

There were no comments or questions.

8. **NEW BUSINESS:**

   A. Executive Director Zimmer introduced the I-Bank’s Chief Budget Officer Hansbury to present Resolution No. 18-16 accepting the January 2018 Treasurer’s Report.

   Revenues earned in January 2018: $497,527
   
   YTD Total Revenues Earned: $3,562,515 101% of Budget
   
   YTD Total Revenues Budgeted: $3,515,867

   Expenses Incurred in January 2018: $433,488
   
   YTD Total Expenses Incurred: $3,212,004 95% of Budget
   
   YTD Total Expenses Budgeted: $3,393,232

   Difference YTD v. Budgeted YTD: $227,876 Unanticipated Excess cash flow

   Chief Budget Officer Hansbury asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.

   The resolution was moved for adoption by Mr. Long and seconded by Mr. Russo.
   The motion was carried 7 to 0 with 0 abstentions.

   B. Executive Director Zimmer introduced Resolution No. 18-17 approving the SFY2018 Transportation Program Operating Budget. The SFY2018 proposed Operating Budget consists of total anticipated revenues of $106,667 derived from estimated interest income from the investment of funds over the remaining 4 months of SFY2018 and anticipated expenses of $1.0 million. To cover the expected cash flow shortfall, the I-Bank will use up to $1.0 million of funds in the State Transportation Infrastructure Bank (“STIB”) Fund appropriated for such purposes.

   Executive Director Zimmer asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.

   The resolution was moved for adoption by Mr. Long and seconded by Mr. Russo.
   The motion was carried 7 to 0 with 0 abstentions.

   C. Executive Director Zimmer introduced Assistant Director Scangarella to present Resolution No. 18-18 authorizing an SFY2018 or an SFY2019 NJEIFP Construction Financing Program Loan in an amount not to exceed $20 million to Jackson Twp MUA for project #1511001-013. Jackson Twp MUA has requested a short-term loan from the Program for the replacement of a Water Treatment Plant that services the Six Flags Great Adventure Park.

   Assistant Director Scangarella asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.
The resolution was moved for adoption by Mr. Long and seconded by Mr. Longo.
The motion was carried 7 to 0 with 0 abstentions.

D. Executive Director Zimmer introduced Chief Financial Officer Kaltman to present Resolution No. 18-19 authorizing a Direct I-Bank NANO Loan to Elmer Borough in an amount not to exceed $200,000 and a Direct I-Bank Loan to Manasquan River RSA for an amount not to exceed $175,000.

Chief Financial Officer Kaltman asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval

The resolution was moved for adoption by Ms. Putnam and seconded by Mr. Ellis.
The motion was carried 7 to 0 with 0 abstentions.

E. Executive Director Zimmer introduced Legal and Compliance Officer Karp to present Resolution No. 18-20 authorizing the issuance of a Request for Proposals for Financial Advisor Services for the Transportation Infrastructure Financing Program to commence on July 1, 2018 with an option to extend the term of the contract for one additional year upon further Board action.

Legal and Compliance Officer Karp asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Long and seconded by Mr. Russo.
The motion was carried 7 to 0 with 0 abstentions.

F. Executive Director Zimmer introduced Legal and Compliance Officer Karp to present Resolution No. 18-21 authorizing a one-year extension of the Financial Advisor Services Contract for the Environmental Infrastructure Financing Program for the period of July 1, 2018 through June 30, 2019, pursuant to the terms and conditions set forth in the original agreement.

Legal and Compliance Officer Karp asked if there were any comments or questions. Hearing none, Vice Chairman Briant requested a motion for approval.

The resolution was moved for adoption by Mr. Longo and seconded by Ms. Putnam.
The motion was carried 7 to 0 with 0 abstentions.

G. Vice Chairman Briant introduced Resolution No. 18-22 establishing compensation for certain staff members with regard to increased programmatic responsibilities. In recognition of the increased efforts and responsibilities required of the Executive Director in the development of a new financing program for local transportation projects the Resolution increases the Executive Director’s annual salary by $7,500 and delegates to the Executive Director the authority to raise salaries of certain staff members by up to 6% based on additional responsibilities and merit. The Resolution provides for the increases to be retroactive to January 16, 2018, the date the Transportation Bank became operable and such increased duties took effect. Consultation with and preapproval by the Acting Board Chair is required before such increases become effective other than the Executive Director.

The resolution was moved for adoption by Mr. Longo and seconded by Mr. Ellis.
The motion was carried 7 to 0 with 0 abstentions.

9. **EXECUTIVE SESSION:**

Vice Chairman Briant asked if there was a need for an Executive Session. Executive Director Zimmer responded there was not.

Vice Chairman Briant asked Executive Director Zimmer if there was any further action required by the Board. Mr. Zimmer answered there was not.

Vice Chairman Briant then asked for a motion for an adjournment.

Mr. Longo moved to adjourn the meeting. The motion was seconded by Mr. Ellis. The motion was carried 7 to 0 with 0 abstentions.

The meeting was adjourned at 11:46 am.
RESOLUTION NO. 18 - 16

RESOLUTION AUTHORIZING APPROVAL OF THE JANUARY 2018 TREASURER’S REPORT

WHEREAS, the New Jersey Infrastructure Bank (the "I-Bank") has reviewed the Treasurer’s Report for January 2018; and

WHEREAS, the I-Bank has placed in its files certain correspondence relating to expenses incurred in relation to the I-Bank.

NOW THEREFORE, BE IT RESOLVED, that the I-Bank hereby accepts the Treasurer’s Report for January 2018 and requests that the same be entered into the record.

Adopted Date: March 12, 2018
Motion Made By: Mr. Robert Long
Motion Seconded By: Mr. Mike Russo
Ayes: 7
Nays: 0
Abstentions: 0
RESOLUTION NO. 18 - 17

ACCEPTANCE AND APPROVAL OF THE SFY2018 TRANSPORTATION PROGRAM OPERATING BUDGET

WHEREAS, the New Jersey Infrastructure Bank (“I-Bank”) (f/k/a the New Jersey Environmental Infrastructure Trust) is a public body corporate and politic with corporate succession, duly created and validly existing under the laws of the State of New Jersey (the “State”), including, without limitation, 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 may be amended and supplemented from time to time (the “Act”); and

WHEREAS, pursuant to P.L. 2016, c. 56, the Act was amended to expand the scope of the authority of the I-Bank to fund transportation infrastructure projects; and

WHEREAS, pursuant to P.L. 2017, c. 99 and P.L. 2017, c. 327, funds were appropriated to the I-Bank to fund projects and for operating and administrative expenses associated with the New Jersey Transportation Infrastructure Financing Program; and

WHEREAS, the I-Bank desires to approve its State Fiscal Year (“SFY”) 2018 Transportation Program Operating Budget.

NOW THEREFORE BE IT RESOLVED, after due consideration of all of the items set forth herein the I-Bank hereby adopts the attached SFY2018 Transportation Program Operating Budget.

Adopted Date: March 12, 2018

Motion Made By: Robert Long

Motion Seconded By: Mike Russo

Ayes: 7

Nays: 0

Abstentions: 0
## NEW JERSEY INFRASTRUCTURE BANK - ADJUSTED SFY2018 BUDGET

### REVENUES

<table>
<thead>
<tr>
<th></th>
<th>Orig '18 Budget</th>
<th>Actual thru 1/16/18</th>
<th>June 30 Remain</th>
<th>Adjustment</th>
<th>Final EIT Budget</th>
<th>NJTIB Final TIB Budget</th>
<th>2018 I-Bank Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin Fees:</td>
<td>$5,738,837</td>
<td>$3,099,707</td>
<td>$2,639,130</td>
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<td>$5,738,837</td>
<td>-</td>
<td>$5,738,837</td>
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<tr>
<td>Cost Of Issuance (0.10% Borrower chg):</td>
<td>$60,000</td>
<td>$70,308</td>
<td>$10,308</td>
<td>-</td>
<td>$60,000</td>
<td>-</td>
<td>$60,000</td>
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<tr>
<td>Interest Income:</td>
<td>$275,000</td>
<td>$143,737</td>
<td>$131,264</td>
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<td>$275,000</td>
<td>-</td>
<td>$381,667</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$6,073,837</strong></td>
<td><strong>$3,313,752</strong></td>
<td><strong>$2,760,086</strong></td>
<td>-</td>
<td><strong>$6,073,837</strong></td>
<td><strong>$106,667</strong></td>
<td><strong>$6,180,504</strong></td>
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### EXPENDITURES

<table>
<thead>
<tr>
<th>Loan Programs</th>
<th>Orig '18 Budget</th>
<th>Actual thru 1/16/18</th>
<th>June 30 Remain</th>
<th>Adjustment</th>
<th>Final EIT Budget</th>
<th>NJTIB Final TIB Budget</th>
<th>2018 I-Bank Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Counsel - Bond Issuance</td>
<td>$765,000</td>
<td>$335,246</td>
<td>$429,754</td>
<td>-</td>
<td>$765,000</td>
<td>-</td>
<td>$765,000</td>
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<td>Bond Counsel - Program Develop Charges</td>
<td>$250,000</td>
<td>$183,036</td>
<td>$66,964</td>
<td>-</td>
<td>$250,000</td>
<td>-</td>
<td>$525,000</td>
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<tr>
<td>Project Review (SAIL Consultants)</td>
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<td>$15,909</td>
<td>$34,091</td>
<td>-</td>
<td>$50,000</td>
<td>-</td>
<td>$50,000</td>
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<tr>
<td>Financial Advisor - Program Charges (PFM)</td>
<td>$120,000</td>
<td>$65,000</td>
<td>$55,000</td>
<td>-</td>
<td>$120,000</td>
<td>-</td>
<td>$180,000</td>
</tr>
<tr>
<td>Trustee &amp; Loan Servicer</td>
<td>$198,997</td>
<td>$100,752</td>
<td>$98,245</td>
<td>-</td>
<td>$198,997</td>
<td>-</td>
<td>$198,997</td>
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<tr>
<td>Master Program Trustee (USB)</td>
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<td>$2,708</td>
<td>$8,292</td>
<td>-</td>
<td>$11,000</td>
<td>-</td>
<td>$11,000</td>
</tr>
<tr>
<td>Rating Service</td>
<td>$129,000</td>
<td>$62,100</td>
<td>$66,900</td>
<td>-</td>
<td>$129,000</td>
<td>-</td>
<td>$129,000</td>
</tr>
<tr>
<td>3rd-Party Issue Exp (Printing, Elect P/OS)</td>
<td>$12,000</td>
<td>$2,250</td>
<td>$9,750</td>
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<td>$12,000</td>
<td>-</td>
<td>$12,000</td>
</tr>
<tr>
<td>Arbitrage Rebate Services (Omnicap)</td>
<td>$55,500</td>
<td>$30,063</td>
<td>$25,438</td>
<td>-</td>
<td>$55,500</td>
<td>-</td>
<td>$55,500</td>
</tr>
<tr>
<td><strong>Total Loan Program Expenses</strong></td>
<td><strong>$1,729,850</strong></td>
<td><strong>$882,983</strong></td>
<td><strong>$846,867</strong></td>
<td>-</td>
<td><strong>$1,729,850</strong></td>
<td><strong>$335,000</strong></td>
<td><strong>$2,064,850</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operations</th>
<th>Orig '18 Budget</th>
<th>Actual thru 1/16/18</th>
<th>June 30 Remain</th>
<th>Adjustment</th>
<th>Final EIT Budget</th>
<th>NJTIB Final TIB Budget</th>
<th>2018 I-Bank Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reports, Publicn's &amp; Mktg (GEEA's, Seminars, etc.)</td>
<td>$28,700</td>
<td>$20,100</td>
<td>$8,600</td>
<td>(460)</td>
<td>$28,240</td>
<td>$15,460</td>
<td>$43,700</td>
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<tr>
<td>Vehicle Insurance, gasoline</td>
<td>$18,880</td>
<td>$4,231</td>
<td>$14,649</td>
<td>(4,492)</td>
<td>$14,188</td>
<td>$4,492</td>
<td>$18,880</td>
</tr>
<tr>
<td>Board Member Expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>I.T. Expenses</td>
<td>$723,924</td>
<td>$293,097</td>
<td>$430,827</td>
<td>(61,430)</td>
<td>$662,494</td>
<td>$97,964</td>
<td>$760,458</td>
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<tr>
<td>Offc Svc-PCS</td>
<td>$9,600</td>
<td>$5,594</td>
<td>$4,006</td>
<td>(1,229)</td>
<td>$8,371</td>
<td>$1,229</td>
<td>$9,600</td>
</tr>
<tr>
<td>Investment Advisor</td>
<td>$91,000</td>
<td>$43,517</td>
<td>$47,483</td>
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<td>$91,000</td>
<td>$4,667</td>
<td>$95,667</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$27,214</td>
<td>$19,210</td>
<td>$8,004</td>
<td>(2,455)</td>
<td>$24,759</td>
<td>$2,455</td>
<td>$27,214</td>
</tr>
<tr>
<td>Auditor - NJIB</td>
<td>$43,500</td>
<td>$43,500</td>
<td>-</td>
<td>-</td>
<td>$43,500</td>
<td>-</td>
<td>$43,500</td>
</tr>
<tr>
<td>Auditor - CW/DW</td>
<td>$42,400</td>
<td>-</td>
<td>$42,400</td>
<td>-</td>
<td>$42,400</td>
<td>-</td>
<td>$42,400</td>
</tr>
<tr>
<td>Internal Control Audit (CohnReznick)</td>
<td>$90,000</td>
<td>$70,271</td>
<td>$19,729</td>
<td>(6,051)</td>
<td>$83,949</td>
<td>$6,051</td>
<td>$90,000</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td><strong>$4,231,478</strong></td>
<td><strong>$2,216,089</strong></td>
<td><strong>$2,115,389</strong></td>
<td>(395,744)</td>
<td><strong>$3,835,734</strong></td>
<td><strong>$671,990</strong></td>
<td><strong>$4,507,724</strong></td>
</tr>
</tbody>
</table>

**TOTAL Expenses** | **$5,961,328** | **$2,999,072** | **$2,962,256** | **(395,744)** | **$5,565,584** | **$1,006,990** | **$6,572,574**

**Unencumbered Conting's (cushion)** | **$112,509** | **$508,253** | **$99,677** |
RESOLUTION NO. 18 - 18

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
APPROVING A CONSTRUCTION LOAN TO JACKSON TOWNSHIP MUA

WHEREAS, the New Jersey Infrastructure Bank (the “I-Bank”), in accordance with (i) the “New Jersey Infrastructure Trust Act”, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (codified at N.J.S.A. 58:11B-1 et seq.), as the same may from time to time be amended and supplemented (the “Act”), and (ii) the regulations promulgated pursuant to the Act (N.J.A.C. 7:22-2.1 et seq.), as the same may from time to time be amended and supplemented (the “Regulations”), is authorized, pursuant to an interim financing program (the “Interim Financing Program”), to make loans (each, an “Interim Loan”) to eligible project sponsors (each, a “Borrower”) for the purpose of financing the allowable costs of environmental infrastructure projects, provided that each such Interim Loan satisfies the requirements of the Regulations, including, without limitation, N.J.A.C. 7:22-4.47; and

WHEREAS, pursuant to the provisions of N.J.A.C. 7:22-4.47, a proposed project sponsor is eligible to be a Borrower for an Interim Loan pursuant to the Interim Financing Program, provided all of the following conditions are satisfied in full: (i) the project is listed on the project priority list developed in accordance with N.J.A.C. 7:22-4.8(a) for funding in the forthcoming State Fiscal Year; (ii) the proposed project sponsor has submitted a complete application for the project in accordance with N.J.A.C. 7:22-4.11; (iii) the project has been certified for funding by the I-Bank in accordance with N.J.A.C. 7:22-4.13; (iv) the project is in the fundable range in the forthcoming funding cycle given the project’s rank and the anticipated availability of Department of Environmental Protection (the “Department”) and I-Bank monies; and (v) the proposed project sponsor has not previously received an Interim Loan through the Interim Financing Program for the same project scope; and

WHEREAS, the I-Bank duly adopted Resolution No. 18-03 on January 11, 2018 entitled “Amended and Restated Resolution Authorizing Various Short-Term Financing Programs for State Fiscal Year 2018” (the “2018 Authorizing Resolution”) to provide funding for the implementation of the Interim Financing Program during State Fiscal Year 2018 including the Construction Financing Program (the “SFY 2018 Construction Loan Program”); and

WHEREAS, the I-Bank duly adopted Resolution No. 18-04 on January 11, 2018 entitled “Resolution Authorizing the Construction Loan Financing Program for State Fiscal Year 2019” (the “2019 Authorizing Resolution”) to provide funding for the implementation of the Interim Financing Program during State Fiscal Year 2019 including the Construction Financing Program (the “SFY 2019 Construction Loan Program”); and

WHEREAS, it is the desire of the Board to authorize Construction Loan Closings pursuant to the Interim Financing SFY2018 Construction Loan Program for loan closings occurring in SFY2018 and the Interim Financing SFY2019 Construction Loan Program for loan closings occurring in SFY2019 (each the “Applicable Construction Loan Program”); and
WHEREAS, pursuant to the terms of the 2018 Authorizing Resolution and 2019 Authorizing Resolution (each the “Applicable Authorizing Resolution”), the Authorized Officers (as defined therein) are each severally authorized, after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, to approve the participation of a Borrower in the Applicable Construction Loan Program, provided that such Borrower qualifies for such participation pursuant to the provisions of the Act and the Regulations and the terms of the Applicable Authorizing Resolution; and

WHEREAS, pursuant to Section 5 of the 2018 Authorizing Resolution, any Interim Loan approved by the Authorized Officers, following the requisite consultations, and made by the I-Bank to a Borrower as part of the Applicable Construction Loan Program shall not exceed $10,000,000 in principal amount (SFY2018 Construction Loan Limitation); and

WHEREAS, pursuant to Section 5 of the 2019 Authorizing Resolution, any Interim Loan approved by the Authorized Officers, following the requisite consultations, and made by the I-Bank to a Borrower as part of the Applicable Construction Loan Program shall not exceed $15,000,000 in principal amount (SFY2019 Construction Loan Limitation); and

WHEREAS, pursuant to Section 2 of the Applicable Authorizing Resolutions, revisions and modifications may be made to terms and provisions of the Short-Term Financing Program pursuant to further official action in the form of the adoption of a resolution by the Board of Directors of the I-Bank; and

WHEREAS, Jackson Township MUA has requested from the I-Bank a construction loan, in anticipation of a long-term loan from each of the I-Bank and the Department, to finance the construction of Project #–1511001-013 Six Flags Great Adventure Water Treatment Plant Replacement, (the “Jackson Township MUA Project”); and

WHEREAS, pursuant to the Jackson Township MUA Project construction schedule, a Construction Loan not to exceed three full fiscal years will be made available for construction, all or a portion of which will be completed prior to Jackson Township MUA’s receipt of an I-Bank and Department long-term New Jersey Environmental Infrastructure Financing Program loan, thereby resulting in Jackson Township MUA’s request for a construction loan in an amount not to exceed $20 million; and

WHEREAS, with respect to the Applicable Authorizing Resolutions’ Construction Loan Limitations providing that any Construction Loan approved by the Authorized Officers, following the requisite consultations, and made by the I-Bank to a Borrower as part of the Applicable Construction Loan Program shall not exceed $10,000,000, or $15,000,000, in principal amount, subject to further official action in the form of the adoption of a resolution by the Board of Directors of the I-Bank, the I-Bank now desires, given the facts and circumstances set forth in the recitals hereto, to create as an exception to such limitation of Construction Loans, as part of the Applicable Construction Loan Program, to the aforementioned project sponsor in amount not to exceed the amount stated for the purpose of completing the Jackson Township MUA Project; and
WHEREAS, it is the desire of the I-Bank that, other than the Applicable Authorizing Resolutions’ Construction Loan Limitations described in the immediately preceding recital, the project sponsor shall comply with (i) all other requirements of the Applicable Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the New Jersey Infrastructure Bank, as follows:

Section 1. Notwithstanding the Applicable Authorizing Resolutions’ Construction Loan Limitations providing that all Loans approved by the Authorized Officers, following the requisite consultations, and made by the I-Bank to Borrowers as part of the Applicable Construction Loan Program, shall not exceed $10,000,000, or $15,000,000 in principal amount, the Board of Directors of the I-Bank, given the facts and circumstances set forth in the recitals hereto, hereby authorizes, as an exception to Construction Loan Limitations, an Interim Loan, as part of the SFY2018 and SFY2019 Construction Loan Programs, to the following project sponsor for the stated project in an amount not to exceed the amount stated for the purpose of completing each such project.

<table>
<thead>
<tr>
<th>Project Sponsor</th>
<th>Project #</th>
<th>Description</th>
<th>Total Authorized Loan Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jackson Township MUA</td>
<td>1511001-013</td>
<td>Six Flags Great Adventure Water Treatment Plant Replacement</td>
<td>$20,000,000</td>
</tr>
</tbody>
</table>

Section 2. Other than the exceptions created by the provisions of Section 1 of this Resolution, the Construction Loan made to the aforementioned project sponsor as part of the Applicable Construction Loan Program shall comply fully with (i) each of the terms, provisions and conditions precedent set forth in the Authorizing Resolution, (ii) all applicable requirements of the Act, and (iii) all applicable requirements of the Regulations.

Adopted Date: March 12, 2018

Motion Made By: Robert Long

Motion Seconded By: Mark Longo

Ayes: 7

Nays: 0

Abstentions: 0
RESOLUTION NO. 18 - 19

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK AUTHORIZING DIRECT LOANS TO CERTAIN BORROWERS PARTICIPATING IN THE STATE FISCAL YEAR 2018 NEW JERSEY WATER BANK

WHEREAS, pursuant to Section 5(m) and Section 9(a) of the New Jersey Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (the “State”), as amended and supplemented (N.J.S.A. 58:11B-1 et seq.) (the “Act”), the New Jersey Infrastructure Bank, a public body corporate and politic under the laws of the State, created pursuant to the Act (the “I-Bank”), is authorized to make and contract to make loans (each, an “I-Bank Loan”) to project sponsors (each, a “Project Sponsor”) to finance a portion of the costs of the respective environmental infrastructure system projects thereof (each, a “Project”), which Project Sponsors may lawfully undertake or acquire and for which they are authorized by law to borrow funds, subject to such terms and conditions as the I-Bank shall determine to be consistent with the Act and the purposes of the I-Bank; and

WHEREAS, the Project Sponsors set forth in Schedule I attached hereto (each, a “Direct Loan Borrower” and, collectively, the “Direct Loan Borrowers”) have sought financial assistance from the I-Bank in connection with the respective Projects thereof that bear the corresponding numeric designations set forth in Schedule I attached hereto (each, a “Direct Loan Project” and, collectively, the “Direct Loan Projects”); and

WHEREAS, on February 15, 2017 and March 9, 2017, the Board of Directors of the I-Bank (the “Board”) adopted resolutions respectively entitled “Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the State Fiscal Year 2018 Small System Loan Program” and “Resolution of the New Jersey Environmental Infrastructure Trust Amending Certain Provisions of (i) that Certain ‘Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the State Fiscal Year 2017 Small System Loan Program’ Adopted on July 14, 2016, and (ii) that Certain ‘Resolution of the New Jersey Environmental Infrastructure Trust Authorizing the State Fiscal Year 2018 Small System Loan Program’ Adopted on February 15, 2017” (collectively, the “NANO Authorizing Resolution”), establishing the “Small System Loan Program” (the “NANO Program”) of the I-Bank for State Fiscal Year 2018 as a funding mechanism for improvements to “Small Water Systems” while also addressing the credit risks posed by such Project Sponsors and their Project; and

WHEREAS, one of the Direct Loan Borrowers set forth in Schedule I attached hereto and designated therein as a “Small System Borrower” (the “Small System Borrower”) satisfies the criteria for participation in the NANO Program, as established by the terms and provisions of the NANO Authorizing Resolution; and

WHEREAS, it currently is estimated that the portion of the total cost of its respective Direct Loan Project to be financed by the I-Bank will represent a low Project cost relative to the cost of other Projects for which other Project Sponsors seek financing from the I-Bank, and, in connection with such Direct Loan Project costs, each Direct Loan Borrower seeks financial assistance from the I-Bank in the form of an I-Bank Loan (each, a “Direct I-Bank Loan” and, collectively, the “Direct I-Bank Loans”) in a principal amount not to exceed the amount set forth
under the heading “Maximum I-Bank Loan Amount” in Schedule I attached hereto with respect to the respective and corresponding Direct Loan Project of each such Direct Loan Borrower (each, a “Maximum I-Bank Loan Amount”), with additional financial assistance to be provided to each Direct Loan Borrower for the balance of the cost of its respective Direct Loan Project in the form of a loan (each, an “NJDEP Loan” and, collectively, the “NJDEP Loans”) from the State, acting by and through the New Jersey Department of Environmental Protection (the “NJDEP”); and

WHEREAS, as an alternative to the funding of the Direct I-Bank Loans from proceeds of bonds to be issued by the I-Bank as part of its State Fiscal Year 2018 New Jersey Water Bank, it is in the administrative interests of the I-Bank, given the low principal amount of each Direct I-Bank Loan and the nature of each Direct Loan Project, that the I-Bank fund the Direct I-Bank Loans as so-called direct loans as part of the direct loan initiative of the I-Bank (the “Direct Loan Program”) from (i) investment earnings available to the I-Bank for such purposes and/or (ii) operating funds of the I-Bank that are not required for, or committed to, the operation of the I-Bank for fiscal years 2018 and 2019 (collectively, the “Available Funds”); and

WHEREAS, on February 9, 2012, the Board adopted a resolution entitled “Amended and Restated Resolution of the New Jersey Environmental Infrastructure Trust Relating to the Direct Loan Program and Certain Policies Regarding the Administration Thereof and the Granting of Direct Loans” (the “Direct Loan Policy Resolution”), which Direct Loan Policy Resolution sets forth the Direct Loan Program Criteria (as such term is defined in the Direct Loan Policy Resolution) for use by the I-Bank for the purpose of identifying a Project that shall be appropriate for funding through the Direct Loan Program of the I-Bank, and such Direct Loan Program Criteria, either one of which, or both collectively, may be deemed by the Board to be determinative, include the following: (i) the loan by the I-Bank to the Project Sponsor pursuant to the Direct Loan Program shall not exceed $300,000; and (ii) the Project Sponsor shall be the subject of economic hardship and/or shall lack administrative staff and/or expertise in matters relating to the completion and the financing of the Direct Loan Project; and

WHEREAS, each Direct Loan Borrower and the Direct Loan Project thereof satisfies clause (i) of the Direct Loan Program Criteria, due to the fact that the principal amount of such Direct I-Bank Loan is expected to be less than or equal to $300,000; and

WHEREAS, each Direct I-Bank Loan shall be extended by the I-Bank to each Direct Loan Borrower, and each Direct Loan Borrower shall repay its Direct I-Bank Loan to the I-Bank, pursuant to the terms and provisions of a loan agreement (each, a “Direct I-Bank Loan Agreement” and, collectively, the “Direct I-Bank Loan Agreements”), by and between the I-Bank and such Direct Loan Borrower; and

WHEREAS, the rate of interest to be paid by each Direct Loan Borrower to the I-Bank with respect to the repayment of its Direct I-Bank Loan shall be calculated in the following manner (the “Interest Rate Calculation”), so as to achieve an objectively determined rate of interest that is reflective of the policy goals as set forth in the Direct Loan Policy Resolution, this Resolution and the market as of the date of closing for each Direct I-Bank Loan: (i) the interest rate as determined, on the date of closing for each Direct I-Bank Loan, by the Municipal Market Advisors pursuant to their MMD Index, (ii) plus (or minus) the number of basis points by which the interest rate on the most recently issued tax-exempt (non-AMT) Environmental Infrastructure Bonds issued by the I-Bank to provide new financing for Projects (the “Bonds”) exceeded (or was less than) the MMD
WHEREAS, it is the desire of the I-Bank, subject to the terms and provisions of the Act, the Direct Loan Policy Resolution, this Resolution and, with respect to the Small System Borrower, the NANO Authorizing Resolution, to authorize each Direct I-Bank Loan to the respective Direct Loan Borrower in an amount not to exceed the respective Maximum I-Bank Loan Amount (all as identified in Schedule I attached hereto and made a part hereof) for the purpose of financing a portion of the cost of the respective Direct Loan Project thereof (as identified in Schedule I attached hereto and made a part hereof), pursuant to the respective terms and provisions of the respective Direct I-Bank Loan Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the New Jersey Infrastructure Bank, as follows:

Section 1. The Board hereby approves the making of each Direct I-Bank Loan to the respective Direct Loan Borrower (as identified in Schedule I attached hereto and made a part hereof), as part of the Direct Loan Program of the I-Bank, for the purpose of financing a portion of the cost of the respective Direct Loan Project thereof (as identified in Schedule I attached hereto and made a part hereof), provided that (i) the principal amount of each Direct I-Bank Loan shall not exceed the applicable Maximum I-Bank Loan Amount with respect to such Direct Loan Project (as identified in Schedule I attached hereto and made a part hereof), (ii) each Direct I-Bank Loan shall be funded solely from the Available Funds, (iii) each Direct I-Bank Loan shall comply fully with the provisions of the Act, the Direct Loan Policy Resolution, this Resolution and, with respect to the Direct I-Bank Loan made to the Small System Borrower, the NANO Authorizing Resolution, (iv) each Direct I-Bank Loan shall be made by the I-Bank to the respective Direct Loan Borrower, and the repayment thereof shall be made by such Direct Loan Borrower to the I-Bank, pursuant to the terms and provisions of a Direct I-Bank Loan Agreement, in substantially the form attached hereto as Exhibit A and made a part hereof, with such revisions and modifications thereto as shall be approved by the Chairman, the Vice Chairman or the Executive Director of the I-Bank (each, an “Authorized Officer”) after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, such approval to be evidenced by the execution thereof by such Authorized Officer, and (v) the payment of interest on each Direct I-Bank Loan by the respective Direct Loan Borrower shall be calculated pursuant to the Interest Rate Calculation.

Section 2. Each Authorized Officer is hereby severally authorized and directed to execute (i) each Direct I-Bank Loan Agreement and (ii) any certificates, instruments or documents contemplated therein or otherwise related to the making of the Direct I-Bank Loans by the I-Bank to each respective Direct Loan Borrower.

Section 3. Upon execution of each Direct I-Bank Loan Agreement by an Authorized Officer, the Secretary and the Assistant Secretary of the I-Bank are each hereby severally authorized and directed, where required, to affix the corporate seal of the I-Bank, and to attest to the signature of such Authorized Officer, thereon and on any certificates, instruments or
documents contemplated therein or related thereto and to the making of the Direct I-Bank Loan by the I-Bank to such Direct Loan Borrower.

Section 4. Any Authorized Officer is hereby authorized and directed to take such other actions that such Authorized Officer, in his respective sole discretion after consultation with Bond Counsel to the I-Bank and the Office of the Attorney General of the State, deems necessary, convenient or desirable to effect the transactions contemplated hereby.

Section 5. This Resolution shall take effect immediately, subject to the provisions of the Act.

Adopted Date: March 12, 2018

Motion Made By: Michele Putnam

Motion Seconded By: Roger Ellis

Ayes: 7

Nays: 0

Abstentions: 0
## Schedule I

### Direct Loan Borrowers

<table>
<thead>
<tr>
<th>Direct Loan Borrower</th>
<th>Direct Loan Project No.</th>
<th>Maximum I-Bank Loan Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elmer Borough (NANO)*</td>
<td>1702001-001</td>
<td>$200,000</td>
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<tr>
<td>Manasquan River Regional Sewerage Authority</td>
<td>S340911-03</td>
<td>$175,000</td>
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</tbody>
</table>

* Small System Borrower
EXHIBIT A

Direct I-Bank Loan Agreement
LOAN AGREEMENT

BY AND BETWEEN

NEW JERSEY INFRASTRUCTURE BANK
(f/k/a the New Jersey Environmental Infrastructure Trust)

AND

[NAME OF BORROWER]

DATED AS OF [DATE OF LOAN CLOSING]
# TABLE OF CONTENTS

## ARTICLE I

**DEFINITIONS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.01</td>
<td>Definitions</td>
<td>2</td>
</tr>
</tbody>
</table>

## ARTICLE II

**REPRESENTATIONS AND COVENANTS OF BORROWER**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.01</td>
<td>Representations of Borrower</td>
<td>6</td>
</tr>
<tr>
<td>2.02</td>
<td>Particular Covenants of Borrower</td>
<td>9</td>
</tr>
</tbody>
</table>

## ARTICLE III

**LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.01</td>
<td>Loan; Loan Term</td>
<td>13</td>
</tr>
<tr>
<td>3.02</td>
<td>Disbursement of Loan Proceeds</td>
<td>13</td>
</tr>
<tr>
<td>3.03</td>
<td>Amounts Payable</td>
<td>14</td>
</tr>
<tr>
<td>3.03A</td>
<td>Loan Proceeds After Completion of Project Draws</td>
<td>15</td>
</tr>
<tr>
<td>3.04</td>
<td>Unconditional Obligations</td>
<td>16</td>
</tr>
<tr>
<td>3.05</td>
<td>Loan Agreement to Survive Loan</td>
<td>17</td>
</tr>
<tr>
<td>3.06</td>
<td>Disclaimer of Warranties and Indemnification</td>
<td>17</td>
</tr>
<tr>
<td>3.07</td>
<td>Option to Prepay Loan Repayments</td>
<td>18</td>
</tr>
<tr>
<td>3.08</td>
<td>Priority of Loan and Fund Loan</td>
<td>18</td>
</tr>
<tr>
<td>3.09</td>
<td>Approval of the New Jersey State Treasurer</td>
<td>18</td>
</tr>
</tbody>
</table>

## ARTICLE IV

**ASSIGNMENT OF LOAN AGREEMENT AND BORROWER BOND**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.01</td>
<td>Assignment and Transfer by I-Bank</td>
<td>19</td>
</tr>
<tr>
<td>4.02</td>
<td>Assignment by Borrower</td>
<td>19</td>
</tr>
</tbody>
</table>

## ARTICLE V

**EVENTS OF DEFAULT AND REMEDIES**

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.01</td>
<td>Events of Default</td>
<td>20</td>
</tr>
<tr>
<td>5.02</td>
<td>Notice of Default</td>
<td>20</td>
</tr>
<tr>
<td>5.03</td>
<td>Remedies on Default</td>
<td>21</td>
</tr>
<tr>
<td>5.04</td>
<td>Attorneys’ Fees and Other Expenses</td>
<td>21</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>Page</td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
<td>------</td>
<td></td>
</tr>
<tr>
<td>SECTION 5.05. Application of Moneys</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>SECTION 5.06. No Remedy Exclusive; Waiver; Notice</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>SECTION 5.07. Retention of I-Bank’s Rights</td>
<td>21</td>
<td></td>
</tr>
</tbody>
</table>

**ARTICLE VI**

**MISCELLANEOUS**

| SECTION 6.01. Notices                                                           | 23   |
| SECTION 6.02. Binding Effect                                                    | 23   |
| SECTION 6.03. Severability                                                      | 23   |
| SECTION 6.04. Amendments, Supplements and Modifications                         | 23   |
| SECTION 6.05. Execution in Counterparts                                          | 23   |
| SECTION 6.06. Applicable Law and Regulations                                     | 23   |
| SECTION 6.07. Consents and Approvals                                            | 23   |
| SECTION 6.08. Captions                                                          | 23   |
| SECTION 6.09. Reserved                                                          | 24   |
| SECTION 6.10. Further Assurances                                                | 24   |

SCHEDULE A  Certain Additional Loan Agreement Provisions................................. S-1

EXHIBIT A  (1) Description of Project and Environmental Infrastructure System ...... A-1
           (2) Description of Loan............................................................................... A-2

EXHIBIT B  Basis for Determination of Allowable Project Costs........................B-1

EXHIBIT C  Estimated Disbursement Schedule......................................................C-1

EXHIBIT D  Specimen Borrower Bond....................................................................... D-1

EXHIBIT E  Opinions of Borrower's Bond Counsel and General Counsel....................E-1

EXHIBIT F  Additional Covenants and Requirements............................................... F-1

EXHIBIT G  General Administrative Requirements for the State
            Environmental Infrastructure Financing Program ....................................... G-1
NEW JERSEY INFRASTRUCTURE BANK LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into as of the Dated Date (as defined in Schedule A hereto), by and between the NEW JERSEY INFRASTRUCTURE BANK (f/k/a the New Jersey Environmental Infrastructure Trust), a public body corporate and politic with corporate succession, and the Borrower (capitalized terms used in this Loan Agreement shall have, unless the context otherwise requires, the meanings ascribed thereto in Section 1.01 hereof);

WITNESSETH THAT:

WHEREAS, the I-Bank, in accordance with the Act and a financial plan approved by the State Legislature in accordance with Sections 22 and 22.1 of the Act, is authorized to make the Loan to the Borrower to finance a portion of the Costs of Environmental Infrastructure Facilities;

WHEREAS, the Borrower has, in accordance with the Act and the Regulations, made timely application to the I-Bank for a Loan to finance a portion of the Costs of the Project;

WHEREAS, the State Legislature, in accordance with Sections 20 and 20.1 of the Act, has in the form of an appropriations act approved a project priority list that includes the Project and that authorizes an expenditure of I-Bank funds to finance a portion of the Costs of the Project;

WHEREAS, the I-Bank has approved the Borrower’s application for a Loan from available I-Bank funds to finance a portion of the Costs of the Project;

WHEREAS, in accordance with the applicable Bond Act (as defined in the Fund Loan Agreement), and the Regulations, the Borrower has been awarded a Fund Loan for a portion of the Costs of the Project; and

WHEREAS, the Borrower, in accordance with the Act, the Regulations and the Borrower Enabling Act, will issue a Borrower Bond to the I-Bank evidencing said Loan at the Loan Closing.

NOW, THEREFORE, for and in consideration of the award of the Loan by the I-Bank, the Borrower agrees to complete the Project and to perform under this Loan Agreement in accordance with the conditions, covenants and procedures set forth herein and attached hereto as part hereof, as follows:
ARTICLE I
DEFINITIONS

SECTION 1.01. Definitions.

(a) The following terms as used in this Loan Agreement shall, unless the context clearly requires otherwise, 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 may from time to time be amended and supplemented.

“Administrative Fee” means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder as an annual fee of up to four-tenths of one percent (.40%) of the initial principal amount of the Loan or such lesser amount, if any, as may be authorized by any act of the State Legislature and as the I-Bank may approve from time to time.

“Authorized Officer” means, in the case of the Borrower, any person or persons authorized pursuant to a resolution or ordinance of the governing body of the Borrower to perform any act or execute any document relating to the Loan, the Borrower Bond or this Loan Agreement.

“Bond Counsel” means a law firm appointed or approved by the I-Bank, as the case may be, having a reputation in the field of municipal law whose opinions are generally acceptable by purchasers of municipal bonds.

“Bond Resolution” means the “Environmental Infrastructure Bond Resolution, Series 2018A-1” to be adopted by the Board of Directors of the I-Bank on April 12, 2018, authorizing the issuance of the I-Bank Bonds, and all further amendments and supplements thereto adopted in accordance with the provisions thereof.

“Borrower” means the New Jersey county or municipality that is a party to this Loan Agreement, and its successors and assigns, as further described in Schedule A attached hereto.

“Borrower Bond” means the Borrower Bond issued pursuant to the Borrower Enabling Act, authorized, executed, attested and delivered by the Borrower to the I-Bank to evidence the Borrower’s obligations to pay the Loan Repayments and all other amounts due and owing by the Borrower under this Loan Agreement, a specimen of which is attached hereto as Exhibit D and made a part hereof, pursuant to which the power and obligation of the Borrower to make such payments shall be unlimited and for the payment of which the Borrower shall, if necessary, levy ad valorem taxes upon all the taxable property within the jurisdiction of the Borrower without limitation as to rate or amount.

“Borrowers” means any Local Government Unit or Private Entity (as such terms are defined in the Regulations) other than the Borrower, authorized to construct, operate and maintain Environmental Infrastructure Facilities that have entered into Loan Agreements with the I-Bank pursuant to which the I-Bank will make Loans to such recipients. All Loans made to
Borrowers (which by definition excludes the Loan made to the Borrower) will be financed, unlike the Loan made to the Borrower hereunder, from the proceeds of I-Bank Bonds.

“Costs” means those costs that are eligible, reasonable, necessary, allocable to the Project and permitted by generally accepted accounting principles, including Allowances and Building Costs (as defined in the Regulations), as shall be determined on a project-specific basis in accordance with the Regulations as set forth in Exhibit B hereto, as the same may be amended by subsequent eligible costs as evidenced by a certificate of an authorized officer of the I-Bank.

“Department” means the New Jersey Department of Environmental Protection

“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, described in Exhibit A-1 attached hereto and made a part hereof for which the Borrower is borrowing the Loan under this Loan Agreement.

“Event of Default” means any occurrence or event specified in Section 5.01 hereof.

“Excess Project Funds” shall have the meaning set forth in Section 3.03A hereof.

“Fund Loan” means the loan made simultaneously herewith to the Borrower by the State, acting by and through the Department, pursuant to the Fund Loan Agreement.

"Fund Loan Agreement" means the loan agreement dated as of the date hereof, by and between the Borrower and the State, acting by and through the Department, regarding the terms and conditions of the Fund Loan.

“I-Bank” means the New Jersey Infrastructure Bank (f/k/a the New Jersey Environmental Infrastructure Trust), a public body corporate and politic with corporate succession duly created and validly existing under and by virtue of the Act.

"I-Bank Bonds" means bonds authorized by Section 2.03 of the Bond Resolution, together with any refunding bonds authenticated and delivered pursuant to Section 2.04 of the Bond Resolution, in each case issued by the I-Bank in order to finance, among other things, the Loans to the Borrowers.

“Interest on the Loan” or “Interest on the Borrower Bond” means the sum of (i) the Interest Portion, (ii) the Administrative Fee, and (iii) any late charges incurred hereunder.

"Interest Portion" means that portion of Interest on the Loan or Interest on the Borrower Bond payable hereunder that has been established at Loan Closing (i) as set forth in Exhibit A-2 hereof under the column heading entitled "Interest", or (ii) with respect to any prepayment of Loan Repayments, interest accrued on any principal amount of any such Loan Repayments to the date of any such Loan Repayments at the rate of interest established at Loan Closing.
"Loan" means the loan made by the I-Bank to the Borrower to finance or refinance a portion of the Costs of the Project pursuant to this Loan Agreement, as further described in Schedule A attached hereto.

"Loan Agreement" means this Loan Agreement, including Schedule A and the Exhibits attached hereto, as it may be supplemented, modified or amended from time to time in accordance with the terms hereof.

"Loan Agreements" means any other loan agreements entered into by and between the I-Bank and one or more of the Borrowers pursuant to which the I-Bank will make Loans to such Borrowers.

"Loan Closing" means the date upon which the I-Bank shall fund the Loan and the Borrower shall deliver its fully authorized, executed and attested Borrower Bond, to the I-Bank.

"Loan Repayments" means the sum of (i) the principal amount of the Loan payable at the times and in the amounts set forth on Exhibit A-2 hereto under the column heading entitled “Principal”, (ii) the Administrative Fee, and (iii) any late charges incurred hereunder.

"Loan Term" means the term of this Loan Agreement provided in Sections 3.01 and 3.03 hereof and in Exhibit A-2 attached hereto and made a part hereof.

"Loans" means the loans made by the I-Bank to the Borrowers under the Loan Agreements.

"Prime Rate" means the prevailing commercial interest rate announced by the Trustee from time to time in the State as its prime lending rate.

“Project” means the Environmental Infrastructure Facilities of the Borrower described in Exhibit A-1 attached hereto and made a part hereof, which constitutes a project for which the I-Bank is permitted to make a loan to the Borrower pursuant to the Act and the Regulations, all or a portion of the Costs of which is financed or refinanced by the I-Bank through the making of the Loan under this Loan Agreement.

“Regulations” means the rules and regulations, as applicable, now or hereafter promulgated under 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.

“Trustee” means, initially, ZB, National Association d/b/a Zions Bank, the Trustee appointed by the I-Bank and its successors as Trustee under the Bond Resolution, as provided in Article X of the Bond Resolution.
(b) In addition to the capitalized terms defined in subsection (a) of this Section 1.01, certain additional capitalized terms used in this Loan Agreement shall, unless the context clearly requires otherwise, have the meanings ascribed to such additional capitalized terms in Schedule A attached hereto and made a part hereof.

(c) Except as otherwise defined herein or where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, agencies and districts. Words importing one gender shall include the other gender.
ARTICLE II

REPRESENTATIONS AND COVENANTS OF BORROWER

SECTION 2.01. Representations of Borrower. The Borrower represents for the benefit of the I-Bank as follows:

(a) Organization and Authority.

(i) The Borrower is an Entity duly created and validly existing under and pursuant to the Constitution and statutes of the State.

(ii) The acting officials of the Borrower who are contemporaneously herewith performing or have previously performed any action contemplated in this Loan Agreement either are or, at the time any such action was performed, were the duly appointed or elected officials of such Borrower empowered by applicable State law and, if applicable, authorized by ordinance or resolution of the Borrower to perform such actions. To the extent any such action was performed by an official no longer the duly acting official of such Borrower, all such actions previously taken by such official are still in full force and effect.

(iii) The Borrower has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain its Environmental Infrastructure System, to carry on its activities relating thereto, to execute, attest and deliver this Loan Agreement and the Borrower Bond, to sell the Borrower Bond to the I-Bank, to undertake and complete the Project and to carry out and consummate all transactions contemplated by this Loan Agreement.

(iv) The proceedings of the Borrower’s governing body approving this Loan Agreement and the Borrower Bond, authorizing the execution, attestation and delivery of this Loan Agreement and the Borrower Bond, authorizing the sale of the Borrower Bond to the I-Bank and authorizing the Borrower to undertake and complete the Project, including, without limitation, the “Proceedings”, were duly published in accordance with applicable State law, and have been duly and lawfully adopted in accordance with the Borrower Enabling Act and other applicable State law at a meeting or meetings that were duly called pursuant to necessary public notice and held in accordance with applicable State law and at which quorums were present and acting throughout.

(v) By official action of the Borrower taken prior to or concurrent with the execution and delivery hereof, including, without limitation, the Proceedings, the Borrower has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the execution, attestation, delivery and performance of this Loan Agreement and the transactions contemplated hereby; (B) the issuance of the Borrower Bond and the sale thereof to the I-Bank upon the terms set forth herein; and (C) the execution, delivery and due performance of any and all other certificates, agreements and instruments that may be required to be executed, delivered and performed by the
Borrower in order to carry out, give effect to and consummate the transactions contemplated by this Loan Agreement.

(vi) This Loan Agreement and the Borrower Bond have each been duly authorized by the Borrower and duly executed, attested and delivered by Authorized Officers of the Borrower, and the Borrower Bond has been duly sold by the Borrower to the I-Bank and duly issued by the Borrower; and assuming that the I-Bank has all the requisite power and authority to authorize, execute, attest and deliver, and has duly authorized, executed, attested and delivered, this Loan Agreement, and assuming further that this Loan Agreement is the legal, valid and binding obligation of the I-Bank, enforceable against the I-Bank in accordance with its terms, each of this Loan Agreement and the Borrower Bond constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its respective terms, except as the enforcement thereof may be affected by bankruptcy, insolvency or other laws or the application by a court of legal or equitable principles affecting creditors' rights; and the information contained under "Description of Loan" in Exhibit A-2 attached hereto and made a part hereof is true and accurate in all respects.

(b) Full Disclosure. There is no fact that the Borrower has not disclosed to the I-Bank in writing on the Borrower’s application for the Loan or otherwise that materially adversely affects or (so far as the Borrower can now foresee) that will materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of the Borrower or its Environmental Infrastructure System, or the ability of the Borrower to make all Loan Repayments and any other payments required under this Loan Agreement or otherwise to observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Borrower Bond.

(c) Pending Litigation. There are no proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially adversely affect (i) the undertaking or completion of the Project, (ii) the properties, activities, prospects or condition (financial or otherwise) of the Borrower or its Environmental Infrastructure System, (iii) the ability of the Borrower to make all Loan Repayments or any other payments required under this Loan Agreement, (iv) the authorization, execution, attestation or delivery of this Loan Agreement or the Borrower Bond, (v) the issuance of the Borrower Bond and the sale thereof to the I-Bank, or (vi) the Borrower’s ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Borrower Bond, which proceedings have not been previously disclosed in writing to the I-Bank either in the Borrower’s application for the Loan or otherwise.

(d) Compliance with Existing Laws and Agreements. (i) The authorization, execution, attestation and delivery of this Loan Agreement and the Borrower Bond by the Borrower and the sale of the Borrower Bond to the I-Bank, (ii) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder and thereunder, (iii) the consummation of the transactions provided for in this Loan Agreement and the Borrower Bond, and (iv) the undertaking and completion of the Project will not (A) other than the lien, charge or encumbrance created hereby, by the Borrower Bond and by any other outstanding debt
obligations of the Borrower that are at parity with the Borrower Bond 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 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 is subject.

(e) **No Defaults.** No event has occurred and no condition exists that, upon the authorization, execution, attestation and delivery of this Loan Agreement and the Borrower Bond, the sale of the Borrower Bond to the I-Bank or the receipt of the amount of the Loan, would constitute an Event of Default hereunder. The Borrower is not in violation of, and has not received notice of any claimed violation of, any term of any agreement or other instrument to which it is a party or by which it, its Environmental Infrastructure System or its properties may be bound, which violation would materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of the Borrower or its Environmental Infrastructure System or the ability of the Borrower to make all Loan Repayments, to pay all other amounts due hereunder or otherwise to observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Borrower Bond.

(f) **Governmental Consent.** 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 Loan Agreement and the Borrower Bond, for the sale of the Borrower Bond to the I-Bank for the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Loan Agreement and the Borrower Bond and for the undertaking or completion of the Project and the financing or refinancing thereof, including, but not limited to, the approval by the Division of Local Government Services in the New Jersey Department of Community Affairs (the “DLGS”) with respect to the issuance by the Borrower of the Borrower Bond to the I-Bank, as required by Section 9a of the Act, and any other approvals required therefor by the DLGS; and the Borrower has complied with all applicable provisions of law requiring any notification, declaration, filing or registration with any governmental body or officer in connection with the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Loan Agreement and the Borrower Bond and for the undertaking or completion of the Project and the financing or refinancing thereof. No consent, approval or authorization of, or filing, registration or qualification with, any governmental body or officer that has not been obtained is required on the part of the Borrower as a condition to the authorization, execution, attestation and delivery of this Loan Agreement and the Borrower Bond, the sale of the Borrower Bond to the I-Bank, the undertaking or completion of the Project or the consummation of any transaction herein contemplated.
(g)  **Compliance with Law.** The Borrower:

(i) is in compliance with all laws, ordinances, governmental rules and regulations to which it is subject, the failure to comply with which would materially adversely affect (A) the ability of the Borrower to conduct its activities or to undertake or complete the Project, (B) the ability of the Borrower to make the Loan Repayments and to pay all other amounts due hereunder, or (C) the condition (financial or otherwise) of the Borrower or its Environmental Infrastructure System; and

(ii) has obtained all licenses, permits, franchises or other governmental authorizations presently necessary for the ownership of its properties or for the conduct of its activities that, if not obtained, would materially adversely affect (A) the ability of the Borrower to conduct its activities or to undertake or complete the Project, (B) the ability of the Borrower to make the Loan Repayments and to pay all other amounts due hereunder, or (C) the condition (financial or otherwise) of the Borrower or its Environmental Infrastructure System.

(h)  **Use of Proceeds.** The Borrower will apply the proceeds of the Loan from the I-Bank as described in Exhibit B attached hereto and made a part hereof (i) to finance or refinance a portion of the Costs of the Borrower’s Project; and (ii) where applicable, to reimburse the Borrower for a portion of the Costs of the Borrower’s Project, which portion was paid or incurred in anticipation of reimbursement by the I-Bank and is eligible for such reimbursement under and pursuant to the Regulations and any other applicable law. All of such costs constitute Costs for which the I-Bank is authorized to make Loans to the Borrower pursuant to the Act and the Regulations.

**SECTION 2.02. Particular Covenants of Borrower.**

(a)  **Full Faith and Credit Pledge.** The Borrower unconditionally and irrevocably pledges its full faith and credit and covenants to exercise its unlimited taxing powers for the punctual payment of the principal and redemption premium, if any, of the Borrower Bond, the Interest on the Borrower Bond and all other amounts due under the Borrower Bond, which Borrower Bond shall secure the Loan Repayments and all other amounts due under this Loan Agreement according to its terms. 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, an amount sufficient to satisfy such deficiency shall be paid by the New Jersey State Treasurer to the I-Bank from State-aid otherwise payable to the Borrower.

(b)  **Performance Under Loan Agreement; Rates.** The Borrower covenants and agrees (i) to comply with all applicable State and federal laws, rules and regulations in the performance of this Loan Agreement; (ii) to cooperate with the I-Bank in the observance and performance of the respective duties, covenants, obligations and agreements of the Borrower and the I-Bank under this Loan Agreement; and (iii) to establish, levy and collect rents, rates and other charges for the products and services provided by its Environmental Infrastructure System, which rents, rates and other charges, together with any other moneys available for the purpose, shall be at
least sufficient to comply with all covenants pertaining thereto contained in, and all other provisions of, any bond ordinance, resolution, trust indenture or other security agreement, if any, relating to any bonds, notes or other evidences of indebtedness issued or to be issued by the Borrower, including without limitation rents, rates and other charges, together with other available moneys, sufficient to pay the principal of and Interest on the Borrower Bond, plus all other amounts due hereunder.

(c) Completion of Project and Provision of Moneys Therefor. The Borrower covenants and agrees (i) to exercise its best efforts in accordance with prudent environmental infrastructure utility practice to complete the Project and to accomplish such completion on or before the estimated Project completion date set forth in Exhibit C hereto and made a part hereof; (ii) to comply with the terms and provisions contained in Exhibit G hereto; and (iii) to provide from its own fiscal resources all moneys, in excess of the total amount of loan proceeds it receives under the Loan and Fund Loan, required to complete the Project.

(d) Disposition of Environmental Infrastructure System. The Borrower shall not sell, lease, abandon or otherwise dispose of all or substantially all of its Environmental Infrastructure System except on ninety (90) days’ prior written notice to the I-Bank, and, in any event, shall not so sell, lease, abandon or otherwise dispose of the same unless the Borrower shall, in accordance with Section 4.02 hereof, assign this Loan Agreement and the Borrower Bond and its rights and interests hereunder and thereunder to the purchaser or lessee of the Environmental Infrastructure System, and such purchaser or lessee shall assume all duties, covenants, obligations and agreements of the Borrower under this Loan Agreement and the Borrower Bond.

(e) Reserved.

(f) Operation and Maintenance of Environmental Infrastructure System. The Borrower covenants and agrees that it shall, in accordance with prudent environmental infrastructure utility practice, (i) at all times operate the properties of its Environmental Infrastructure System and any business in connection therewith in an efficient manner, (ii) maintain its Environmental Infrastructure System in good repair, working order and operating condition, and (iii) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to its Environmental Infrastructure System so that at all times the business carried on in connection therewith shall be properly and advantageously conducted.

(g) Records and Accounts.

(i) The Borrower shall keep accurate records and accounts for its Environmental Infrastructure System (the “System Records”) separate and distinct from its other records and accounts (the “General Records”). Such System Records and General Records shall be made available for inspection by the I-Bank at any reasonable time upon prior written notice.

(ii) Reserved.

(h) Inspections; Information. The Borrower shall permit the I-Bank and any party designated by any of such parties, 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 and to inspect and make copies of any accounts, books and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments and any other matters relating thereto and to its financial standing, and shall supply such reports and information as the I-Bank may reasonably require in connection therewith.

(i) **Insurance.** The Borrower shall maintain or cause to be maintained, in force, insurance policies with responsible insurers or self-insurance programs providing against risk of direct physical loss, damage or destruction of its Environmental Infrastructure System at least to the extent that similar insurance is usually carried by utilities constructing, operating and maintaining Environmental Infrastructure Facilities of the nature of the Borrower’s Environmental Infrastructure System, including liability coverage, all to the extent available at reasonable cost but in no case less than will satisfy all applicable regulatory requirements.

(j) **Costs of Project.** The Borrower certifies that the building cost of the Project, as listed in Exhibit B hereto and made a part hereof, is a reasonable and accurate estimation thereof, and it will supply to the I-Bank a certificate from a licensed professional engineer authorized to practice in the State stating that such building cost is a reasonable and accurate estimation and that the useful life of the Project exceeds the maturity date of the Borrower Bond.

(k) **Delivery of Documents.** Concurrently with the delivery of this Loan Agreement (as previously authorized, executed and attested) at the Loan Closing, the Borrower will cause to be delivered to the I-Bank each of the following items:

(i) an opinion of the Borrower’s bond counsel substantially in the form of Exhibit E hereto; provided, however, that the I-Bank may permit portions of such opinion to be rendered by general counsel to the Borrower and may permit variances in such opinion from the form set forth in Exhibit E if, in the opinion of the I-Bank, such variances are not to the material detriment of the interests of the I-Bank;

(ii) counterparts of this Loan Agreement as previously executed and attested by the parties hereto;

(iii) copies of those ordinances and/or resolutions finally adopted by the governing body of the Borrower and requested by the I-Bank, including, without limitation, (A) the resolution of the Borrower authorizing the execution, attestation and delivery of this Loan Agreement, (B) the ordinances and resolutions of the Borrower authorizing the execution, attestation, sale and delivery of the Borrower Bond to the I-Bank, (C) the resolution of the Borrower, if any, confirming the details of the sale of the Borrower Bond to the I-Bank, (D) the resolution of the DLGS approving the issuance by the Borrower of the Borrower Bond to the I-Bank and setting forth any other approvals required therefor by the DLGS, and (E) any other Proceedings;

(iv) reserved; and

(v) the certificates of insurance coverage as required pursuant to the terms of Section 3.06(d) hereof and such other certificates, documents, opinions and information as the I-Bank may require in Exhibit F hereto, if any.
(l) **Execution and Delivery of Borrower Bond.** Concurrently with the delivery of this Loan Agreement at the Loan Closing, the Borrower shall also deliver to the I-Bank the Borrower Bond, as previously executed and attested, upon the receipt of a written certification of the I-Bank a portion of the net proceeds of the I-Bank Bonds shall be segregated on the books and records of the I-Bank for the Loan simultaneously with the delivery of the Borrower Bond.

(m) **Notice of Material Adverse Change.** The Borrower shall promptly notify the I-Bank of any material adverse change in the properties, activities, prospects or condition (financial or otherwise) of the Borrower or its Environmental Infrastructure System, or in the ability of the Borrower to make all Loan Repayments and otherwise to observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Borrower Bond.

(n) **Continuing Representations.** The representations of the Borrower contained herein shall be true at the time of the execution of this Loan Agreement and at all times during the term of this Loan Agreement.

(o) **Additional Covenants and Requirements.** (i) No later than the Loan Closing and, if necessary, in connection with the making of the Loan, additional covenants, representations and requirements have been included in Exhibit F hereto and made a part hereof. Such covenants, representations and requirements may include, but need not be limited to, the maintenance of specified levels of Environmental Infrastructure System rates, the issuance of additional debt of the Borrower, the transfer of revenues and receipts from the Borrower’s Environmental Infrastructure System or compliance with Rule 15c2-12, Rule 10b-5 and any other applicable federal or state securities laws. By executing this Loan Agreement, the Borrower agrees to observe and comply with each such additional covenant, representation and requirement, if any, included in Exhibit F hereto as if the same were set forth herein in its entirety. (ii) Additional defined terms, covenants and requirements have been included in Schedule A attached hereto and made a part hereof. Such additional defined terms, covenants and requirements are incorporated in this Loan Agreement by reference thereto as if set forth in full herein and the Borrower hereby agrees to observe and comply with each such additional term, covenant and requirement included in Schedule A as if the same were set forth in its entirety where reference thereto is made in this Loan Agreement.
ARTICLE III

LOAN TO BORROWER; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01. Loan; Loan Term. The I-Bank hereby agrees to make the Loan as described in Exhibit A-2 hereof and to disburse proceeds of the Loan to the Borrower in accordance with Section 3.02 and Exhibit C hereof, and the Borrower hereby agrees to borrow and accept the Loan from the I-Bank upon the terms set forth in Exhibit A-2 attached hereto and made a part hereof; provided, however, that the I-Bank shall be under no obligation to make the Loan if (a) at the Loan Closing, the Borrower does not deliver to the I-Bank a Borrower Bond and such other documents required under Section 2.02(k) hereof, or (b) an Event of Default has occurred and is continuing under this Loan Agreement. Although the I-Bank intends to disburse proceeds of the Loan to the Borrower at the times and up to the amounts set forth in Exhibit C to pay a portion of the Costs of the Project, due to unforeseen circumstances there may not be a sufficient amount on deposit with the I-Bank on any date to make the disbursement in such amount. Nevertheless, the Borrower agrees that the amount actually segregated on the books of the I-Bank for the purpose of the Loan at the Loan Closing shall constitute the initial principal amount of the Loan (as the same may be adjusted downward in accordance with the definition thereof), and the I-Bank shall have no obligation thereafter to loan any additional amounts to the Borrower.

The Borrower shall use the proceeds of the Loan strictly in accordance with Section 2.01(h) hereof.

The payment obligations created under this Loan Agreement are secured by the Borrower Bond. The obligations to pay the principal of the Borrower Bond, Interest on the Borrower Bond and other amounts due under the Borrower Bond are each direct, general, irrevocable and unconditional obligations of the Borrower payable from any source legally available to the Borrower, including, without limitation, the general tax revenues of the Borrower, and the Borrower shall, if necessary, levy ad valorem taxes upon all the taxable property within the Borrower for the payment of such obligations, without limitation as to rate or amount.

SECTION 3.02. Disbursement of Loan Proceeds.

(a) The I-Bank shall disburse the proceeds of the Loan to the Borrower upon receipt of a requisition executed by an Authorized Officer of the Borrower, and approved by the I-Bank, in a form approved by the I-Bank.

(b) The I-Bank shall not be required to disburse any Loan proceeds to the Borrower under this Loan Agreement, unless:

(i) reserved;

(ii) in accordance with the Bond Act, and the Regulations, the Borrower shall have timely applied for, shall have been awarded and, prior to or simultaneously with the Loan Closing, shall have closed a Fund Loan for a portion of the Allowable Costs (as defined in such Regulations) of the Project in an amount not in excess of the amount of Allowable Costs of the Project financed by the Loan from the I-Bank;

-13-
the Borrower shall have funds available to pay for the greater of (A) that portion of the total Costs of the Project that is not eligible to be funded from the Fund Loan or the Loan, or (B) that portion of the total Costs of the Project that exceeds the actual amounts of the loan commitments made by the State and the I-Bank, respectively, for the Fund Loan and the Loan; and

(iv) no Event of Default nor any event that, with the passage of time or service of notice or both, would constitute an Event of Default shall have occurred and be continuing hereunder.

SECTION 3.03. Amounts Payable.

(a) The Borrower shall repay the Loan in installments payable to the I-Bank as follows:

(i) the principal of the Loan shall be repaid annually on the Principal Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof;

(ii) the Interest Portion described in clause (i) of the definition thereof shall be paid semiannually on the Interest Payment Dates, in accordance with the schedule set forth in Exhibit A-2 attached hereto and made a part hereof; and

(iii) the Interest Portion described in clause (ii) of the definition thereof shall be paid upon the date of any prepayment or acceleration.

The obligations of the Borrower under the Borrower Bond shall be deemed to be amounts payable under this Section 3.03. Each Loan Repayment shall be deemed to be a credit against the corresponding obligation of the Borrower under this Section 3.03 and shall fulfill the Borrower’s obligation to pay such amount hereunder and under the Borrower Bond. Each payment made to the I-Bank pursuant to this Section 3.03 shall be applied first to the Interest Portion then due and payable, second to the principal of the Loan then due and payable, third to the payment of the Administrative Fee, and finally to the payment of any late charges hereunder.

(b) The Interest on the Loan described in clause (iii) of the definition thereof shall (i) consist of a late charge for any principal Loan Repayment that is received by the I-Bank later than its due date and (ii) be payable immediately thereafter in an amount equal to the greater of twelve percent (12%) per annum or the Prime Rate plus one half of one percent per annum on such late payment from its due date to the date it is actually paid; provided, however, that the rate of Interest on the Loan, including, without limitation, any late payment charges incurred hereunder, shall not exceed the maximum interest rate permitted by law.

(c) Reserved.

(d) Reserved.
The Interest on the Loan described in clause (ii) of the definition thereof shall be paid by the Borrower in the amount of one-half of the Administrative Fee, if any, to the I-Bank semiannually on each February 1 and August 1, commencing August 1, 2018.

In the event that the Borrower fails or is unable to pay promptly to the I-Bank in full any Loan Repayment or any other payment required under this Loan Agreement when due, the Borrower hereby acknowledges that the I-Bank may exercise its right under and in accordance with Section 12a of the Act to satisfy such deficiency from State-aid payable to the Borrower. The amount of State-aid so paid to the I-Bank shall be deemed to be a credit against the obligations of the Borrower under this Section 3.03, and any such payment made to the I-Bank shall fulfill the Borrower's obligation to pay such amount under this Loan Agreement and the Borrower Bond. Each such payment of State-aid so made to the I-Bank shall be applied first to the Interest Portion then due and payable, second, to the extent available, to the principal of the Loan then due and payable, third, to the extent available, to the Administrative Fee, fourth, to the extent available, to the payment of any late charges incurred hereunder, and finally, to the extent available, to any other payment required under this Loan Agreement.

Upon thirty (30) days prior written notice to the Borrower, an Authorized Officer of the I-Bank may, in the sole discretion of such Authorized Officer, prescribe the particular method by which payments pursuant to, and in satisfaction of, this Section 3.03 shall be made by the Borrower. In the absence of any such written notice to the Borrower by an Authorized Officer of the I-Bank pursuant to this subsection (g), the payments required pursuant to, and in satisfaction of, this Section 3.03 shall be implemented via the automatic debit by the I-Bank of the respective amounts of such payments, as required by this Section 3.03, from an account that shall be identified by the Borrower in writing and recorded on file with the I-Bank.

SECTION 3.03A. Loan Proceeds After Completion of Project Draws.

(a) If, on the date which is one hundred eighty (180) days following the final date for which a disbursement of Loan Proceeds is scheduled to be made pursuant to Exhibit C hereto, any Loan Proceeds remain undisbursed, the Borrower shall provide to the I-Bank and the Department a certificate of an Authorized Officer of the Borrower (i) stating that the Borrower has not yet completed the Project, (ii) stating that the Borrower intends to complete the Project, (iii) setting forth the amount of remaining Loan Proceeds required to complete the Project, and (iv) providing a revised draw schedule, in a form similar to Exhibit C hereto and approved by the Department.

(b) If, on the date which is one hundred eighty (180) days following the final date for which a disbursement of Loan Proceeds is scheduled to be made pursuant to the revised draw schedule certified to the I-Bank and the Department in accordance with Section 3.03A(a) hereof, any Loan Proceeds remain undisbursed, the Borrower shall provide to the I-Bank and the Department a certificate of an Authorized Officer of the Borrower (i) stating that the Borrower has not yet completed the Project, (ii) stating that the Borrower intends to complete the Project, (iii) setting forth the amount of remaining Loan Proceeds required to complete the Project, and (iv) providing a further revised draw schedule, in a form similar to Exhibit C hereto and approved by the Department.
(a) If (i) the Borrower fails to provide the certificate described in paragraphs (a) or (b) of this Section 3.03A, when due, or (ii) a certificate provided pursuant to paragraphs (a) or (b) of this Section 3.03A states that the Borrower does not require all or any portion of the Loan Proceeds for completion of the Project, or (iii) on the date which is one hundred eighty (180) days following the final date on which a disbursement of Loan proceeds is scheduled to be made pursuant to a further revised draw schedule certified to the I-Bank and the Department in accordance with Section 3.03A(b) hereof, any Loan Proceeds remain undisbursed, then such undisbursed Loan Proceeds, which are amounts that have not been certified by an Authorized Officer of the Borrower as being required to complete the Project (“Excess Project Funds”), shall be applied as follows:

(A) If the Excess Project Funds are less than or equal to the greater of (1) $250,000 or (2) the amount of Loan Repayments due from the Borrower to the I-Bank in the next succeeding calendar year, the Excess Project Funds shall be applied by the I-Bank toward the Borrower’s obligation to make the Loan Repayments next coming due; or

(B) If the Excess Project Funds are greater than the greater of (1) $250,000 or (2) the amount of Loan Repayments due from the Borrower to the I-Bank in the next succeeding calendar year, the Excess Project Funds shall be applied by the I-Bank as a prepayment of the Borrower’s Loan Repayments, and shall be applied to the principal payments (including premium, if any) on the Loan in inverse order of their maturity.

SECTION 3.04. 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 or to any extent whatsoever while any Loan Repayments remain unpaid, for any reason, 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, whether express or implied, or any duty, liability or obligation arising out of or connected with the Project, this Loan Agreement, or any rights of set-off, recoupment, abatement or counterclaim that the Borrower might otherwise have against the I-Bank or any other party or parties; provided, however, that payments hereunder shall not constitute a waiver of any such rights.

The Loan has been funded from available monies of the I-Bank and not from the I-Bank Bonds issued under the Bond Resolution, as is the case with the other Borrowers under their other Loan Agreements. Therefore, the Borrower shall not be obligated to make any payments required to be made by any other Borrowers under separate Loan Agreements or the Bond Resolution.
SECTION 3.05. Loan Agreement to Survive Loan. The Borrower acknowledges that its duties, covenants, obligations and agreements set forth in Sections 3.06(a) and (b) hereof, shall survive the payment in full of the Loan.

SECTION 3.06. Disclaimer of Warranties and Indemnification.

(a) The Borrower acknowledges and agrees that (i) the I-Bank makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the Environmental Infrastructure System or the Project or any portions thereof or any other warranty or representation with respect thereto; (ii) in no event shall the I-Bank or its agents be liable or responsible for any incidental, indirect, special or consequential damages in connection with or arising out of this Loan Agreement or the Project or the existence, furnishing, functioning or use of the Environmental Infrastructure System or the Project or any item or products or services provided for in this Loan Agreement; and (iii) during the term of this Loan Agreement and to the fullest extent permitted by law, the Borrower shall indemnify and hold the I-Bank harmless against, and the Borrower shall pay any and all, liability, loss, cost, damage, claim, judgment or expense of any and all kinds or nature and however arising and imposed by law, which the I-Bank may sustain, be subject to or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Borrower, the Borrower's ownership of the Environmental Infrastructure System or the Project, or the acquisition, construction or installation of the Project.

(b) It is mutually agreed by the Borrower and the I-Bank that the I-Bank and its officers, agents, servants or employees shall not be liable for, and shall be indemnified and saved harmless by the Borrower in any event from, any action performed under this Loan Agreement and any claim or suit of whatsoever nature, except in the event of loss or damage resulting from their own negligence or willful misconduct.

(c) The Borrower and the I-Bank agree that all claims shall be subject to and governed by the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq. (except for N.J.S.A. 59:13-9 thereof), although such Act by its express terms does not apply to claims arising under contract with the I-Bank.

(d) In connection with its obligation to provide the insurance required under Section 2.02(i) hereof: (i) the Borrower shall include, or cause to be included, the I-Bank and its directors, employees and officers as additional “named insureds” on (A) any certificate of liability insurance procured by the Borrower (or other similar document evidencing the liability insurance coverage procured by the Borrower) and (B) any certificate of liability insurance procured by any contractor or subcontractor for the Project, and from the later of the date of the Loan Closing or the date of the initiation of construction of the Project until the date the Borrower receives the written certificate of Project completion from the I-Bank, the Borrower shall maintain said liability insurance covering the I-Bank and said directors, employees and officers in good standing; and (ii) the Borrower shall include the I-Bank as an additional “named insured” on any certificate of insurance providing against risk of direct physical loss, damage or destruction of the Environmental Infrastructure System, and during the Loan Term the Borrower shall maintain said insurance covering the I-Bank in good standing.
The Borrower shall provide the I-Bank with a copy of each of any such original, supplemental, amendatory or reissued certificates of insurance (or other similar documents evidencing the insurance coverage) required pursuant to this Section 3.06(d).

SECTION 3.07. **Option to Prepay Loan Repayments.** The Borrower may prepay the principal Loan Repayments, in whole or in part, upon prior written notice to the I-Bank not less than ninety (90) days from the date of prepayment, and upon payment by the Borrower to the I-Bank of amounts that, together with investment earnings thereon, will be sufficient to pay the principal amount of the Loan Repayments to be prepaid plus the Interest Portion described in clause (ii) of the definition thereof on any such date; provided, however, that any such full or partial prepayment may only be made (i) if the Borrower is not then in arrears on its Fund Loan, (ii) upon the prior written approval of the I-Bank, and (iii) provided that the Borrower shall agree to pay all costs and expenses of the I-Bank in connection with such prepayment, including, without limitation, the fees of Bond Counsel to the I-Bank and any other professional advisors to the I-Bank. Prepayments shall be applied first to the Interest Portion that accrues on the portion of the Loan to be prepaid until such prepayment date as described in clause (ii) of the definition thereof and then to principal payments (including premium, if any) on the Loan in inverse order of their maturity.

SECTION 3.08. **Priority of Loan and Fund Loan.**

(a) The Borrower hereby acknowledges that, to the extent allowed by law, any Loan Repayments then due and payable on the Loan shall be satisfied by the I-Bank before any loan repayments on the Borrower’s Fund Loan shall be satisfied by the I-Bank. The Borrower agrees not to interfere with any such action by the I-Bank.

(b) Reserved

SECTION 3.09. **Approval of the New Jersey State Treasurer.** The Borrower and the I-Bank hereby acknowledge that prior to or simultaneously with the Loan Closing the New Jersey State Treasurer, in satisfaction of the requirements of Section 9a of the Act, issued the “Certificate of the New Jersey State Treasurer Regarding the Approval of the I-Bank Loan and the Fund Loan” (the “Treasurer’s Certificate”). Pursuant to the terms of the Treasurer’s Certificate, the New Jersey State Treasurer approved the Loan and the terms and conditions thereof as established by the provisions of this Loan Agreement.
ARTICLE IV

ASSIGNMENT OF LOAN AGREEMENT AND BORROWER BOND

SECTION 4.01. Assignment and Transfer by I-Bank. The I-Bank’s right, title and interest in, to and under this Loan Agreement shall not be assigned without the express written consent of the Borrower. The I-Bank shall retain the right to compel or otherwise enforce observance and performance by the Borrower of its duties, covenants, obligations and agreements under Section 2.02(c)(ii) hereof; provided, however, that in no event shall the I-Bank have the right to accelerate the Borrower Bond in connection with the enforcement of Section 2.02(c)(ii) hereof.

SECTION 4.02. Assignment by Borrower. Neither this Loan Agreement nor the Borrower Bond may be assigned by the Borrower for any reason, unless the following conditions shall be satisfied: (i) the I-Bank shall have approved said assignment in writing; (ii) the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Borrower's duties, covenants, obligations and agreements under this Loan Agreement and, to the extent permitted under applicable law, the Borrower Bond; and (iii) immediately after such assignment, the assignee shall not be in default in the observance or performance of any duties, covenants, obligations or agreements of the Borrower under this Loan Agreement or the Borrower Bond.
ARTICLE V
EVENTS OF DEFAULT AND REMEDIES

SECTION 5.01. Events of Default. If any of the following events occur, it is hereby defined as and declared to be and to constitute an “Event of Default”:

(a) failure by the Borrower to pay, or cause to be paid, any Loan Repayment required to be paid hereunder when due, which failure shall continue for a period of fifteen (15) days;

(b) failure by the Borrower to pay, or cause to be paid, the Administrative Fee or any late charges incurred hereunder or any portion thereof when due or to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in subsection (a) of this Section 5.01 or other than the obligations of the Borrower contained in Section 2.02(c)(ii) hereof and in Exhibit F hereto, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Borrower by the I-Bank, unless the I-Bank shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in such notice is correctable but cannot be corrected within the applicable period, the I-Bank may not unreasonably withhold its consent to an extension of such time up to 120 days from the delivery of the written notice referred to above if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the Event of Default is corrected;

(c) any representation made by or on behalf of the Borrower contained in this Loan Agreement, or in any instrument furnished in compliance with or with reference to this Loan Agreement or the Loan, is false or misleading in any material respect;

(d) 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 Loan Agreement 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 (including, without limitation, a receiver, liquidator or trustee, but not including a takeover by the Division of Local Government Services in the New Jersey Department of Community Affairs) 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;

(e) the Borrower shall generally fail to pay its debts as such debts become due; and

(f) failure of the Borrower to observe or perform such additional duties, covenants, obligations, agreements or conditions as are required by the I-Bank and specified in Exhibit F attached hereto and made a part hereof.

SECTION 5.02. Notice of Default. The Borrower shall give the I-Bank prompt telephonic notice of the occurrence of any Event of Default referred to in Section 5.01(d) or (e) hereof and of the occurrence of any other event or condition that constitutes an Event of Default
at such time as any senior administrative or financial officer of the Borrower becomes aware of the existence thereof.

**SECTION 5.03. Remedies on Default.** Whenever an Event of Default referred to in Section 5.01 hereof shall have occurred and be continuing, the Borrower acknowledges the rights of the I-Bank to take whatever action at law or in equity may appear necessary or desirable 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.

In addition, if an Event of Default referred to in Section 5.01(a) hereof shall have occurred and be continuing, the I-Bank shall, to the extent allowed by applicable law, have the right to declare all Loan Repayments and all other amounts due hereunder (including, without limitation, payments under the Borrower Bond) to be immediately due and payable, and upon notice to the Borrower the same shall become due and payable without further notice or demand.

**SECTION 5.04. Attorneys’ Fees and Other Expenses.** The Borrower shall on demand 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 by either of them in the collection of Loan Repayments or any other sum due hereunder or in the enforcement of the observation or performance of any other duties, covenants, obligations or agreements of the Borrower upon an Event of Default.

**SECTION 5.05. Application of Moneys.** Any moneys collected by the I-Bank pursuant to Section 5.03 hereof shall be applied (a) first to pay any attorneys’ fees or other fees and expenses owed by the Borrower pursuant to Section 5.04 hereof, (b) second, to the extent available, to pay the Interest Portion then due and payable, (c) third, to the extent available, to pay the principal due and payable on the Loan, (d) fourth, to the extent available, to pay the Administrative Fee, any late charges incurred hereunder or any other amounts due and payable under this Loan Agreement, and (e) fifth, to the extent available, to pay the Interest Portion and the principal on the Loan and other amounts payable hereunder as such amounts become due and payable.

**SECTION 5.06. No Remedy Exclusive; Waiver; Notice.** No remedy herein conferred upon or reserved to the I-Bank is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the I-Bank to exercise any remedy reserved to it in this Article V, it shall not be necessary to give any notice other than such notice as may be required in this Article V.

**SECTION 5.07. Retention of I-Bank’s Rights.** Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof, or anything else to the contrary contained herein, the I-Bank shall have the right upon the occurrence of an Event of Default to take any action, including (without limitation) bringing an action against the Borrower
at law or in equity, as the I-Bank may, in its discretion, deem necessary to enforce the obligations of the Borrower to the I-Bank pursuant to Section 5.03 hereof.
ARTICLE VI

MISCELLANEOUS

SECTION 6.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the Borrower at the address specified in Exhibit A-1 attached hereto and made a part hereof and to the I-Bank at the following address:

New Jersey Infrastructure Bank
3131 Princeton Pike
Building 4, Suite 216
Lawrenceville, New Jersey 08648
Attention: Executive Director

Any of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent by notice in writing given to the others.

SECTION 6.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the I-Bank and the Borrower and their respective successors and assigns.

SECTION 6.03. Severability. In the event any provision of this Loan Agreement shall be 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.

SECTION 6.04. Amendments, Supplements and Modifications. This Loan Agreement may not be amended, supplemented or modified without the prior written consent of the I-Bank and the Borrower.

SECTION 6.05. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 6.06. Applicable Law and Regulations. This Loan Agreement shall be governed by and construed in accordance with the laws of the State, including the Act and the Regulations, which Regulations are, by this reference thereto, incorporated herein as part of this Loan Agreement.

SECTION 6.07. Consents and Approvals. Whenever the written consent or approval of the I-Bank shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the I-Bank unless otherwise provided by law or by rules, regulations or resolutions of the I-Bank.

SECTION 6.08. Captions. The captions or headings in this Loan Agreement are for convenience only and shall not in any way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.
SECTION 6.09.  Reserved.

SECTION 6.10.  Further Assurances. The Borrower shall, at the request of the I-Bank, authorize, execute, attest, acknowledge and deliver such further resolutions, conveyances, transfers, assurances, financing statements and other 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 Loan Agreement and the Borrower Bond.
IN WITNESS WHEREOF, the I-Bank and the Borrower have caused this Loan Agreement to be executed, sealed and delivered as of the date first above written.

NEW JERSEY INFRASTRUCTURE BANK

[SEAL]

By: ______________________________

Robert A. Briant, Jr.
Vice Chairman

ATTEST:

David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

[SEAL]

By: ______________________________

Authorized Officer
Title

ATTEST:

Authorized Officer
Title
SCHEDULE A

Certain Additional Loan Agreement Provisions
EXHIBIT A-1

Description of Project and Environmental Infrastructure System
EXHIBIT A-2

Description of Loan
EXHIBIT B

Basis for Determination of Allowable Project Costs
EXHIBIT C

Estimated Disbursement Schedule
EXHIBIT D

Specimen Borrower Bond
[ASSESSMENT] [SELF-LIQUIDATING] [QUALIFIED] BORROWER BOND

FOR VALUE RECEIVED, the [NAME OF BORROWER], a [municipal corporation] [political subdivision] duly created and validly existing under the Constitution and laws of the State (the “Borrower”), hereby promises to pay to the order of the New Jersey Infrastructure Bank (f/k/a the New Jersey Environmental Infrastructure Trust) (the “I-Bank”) (i) the principal amount of __________________________ Dollars ($__________), or such lesser amount as shall be determined in accordance with Section 3.01 of the Loan Agreement (as hereinafter defined), at the times and in the amounts determined as provided in the Loan Agreement, together with (ii) Interest on the Loan constituting the Interest Portion, the Administrative Fee and any late charges incurred under the Loan Agreement (as such terms are defined in the Loan Agreement) in the amount calculated as provided in the Loan Agreement, payable on the days and in the amounts and as provided in the Loan Agreement, which principal amount and Interest Portion of the Interest on the Loan shall, unless otherwise provided in the Loan Agreement, be payable on the days and in the amounts as also set forth in Exhibit A attached hereto under the column headings respectively entitled “Principal” and “Interest”, plus (iii) any other amounts due and owing under the Loan Agreement at the times and in the amounts as provided therein. The Borrower irrevocably pledges its full faith and credit and covenants to exercise its unlimited taxing powers for the punctual payment of the principal of and the Interest on this Borrower Bond (as defined in the Loan Agreement) and for the punctual payment of all other amounts due under this Borrower Bond and the Loan Agreement according to their respective terms.

This Borrower Bond is issued pursuant to the “Local Bond Law”, P.L. 1960, c. 169, as amended (N.J.S.A. 40A:2-1 et seq.), [ the “Municipal Qualified Bond Act”, P.L. 1976, c. 38, as amended (N.J.S.A. 40A:3-1 et seq.)] other applicable law and the Loan Agreement dated as of [date of Loan Closing], 2018 by and between the I-Bank and the Borrower (the “Loan Agreement”). This Borrower Bond is issued in consideration of the loan made under the Loan Agreement (the “Loan”) to evidence the payment obligations of the Borrower set forth therein. [As a qualified bond issued under Title 40A of the New Jersey Statutes, this Borrower Bond is entitled to the benefits of the provisions of the Municipal Qualified Bond Act, codified at N.J.S.A. 40A:3-1 et seq.] This Borrower Bond is subject to assignment or endorsement in accordance with the terms of the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Borrower Bond.

Pursuant to the Loan Agreement, disbursements shall be made by the I-Bank to the Borrower upon receipt by the I-Bank of requisitions from the Borrower executed and delivered in accordance with the requirements set forth in Section 3.02 of the Loan Agreement.

This Borrower Bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Borrower to make the payments required hereunder shall be absolute and unconditional, without any defense or right of set-off, counterclaim or recoupment by reason of any default by the I-Bank under the Loan Agreement or under any other agreement between the Borrower and the I-Bank or out of any indebtedness or liability at any time owing to the Borrower by the I-Bank or for any other reason.
This Borrower Bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. To the extent allowed by applicable law, this Borrower Bond may be subject to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has caused this Borrower Bond to be duly executed, sealed and delivered as of [date of Loan Closing], 2018.

[SEAL]

[NAME OF BORROWER]

By: ________________________________
    Mayor

ATTEST:

By: ________________________________
    Clerk

[SEAL]

[NAME OF BORROWER]

By: ________________________________
    [Treasurer] [Chief Financial Officer]
EXHIBIT E

Opinions of Borrower’s Bond Counsel and General Counsel

See Closing Item ___
New Jersey Infrastructure Bank
3131 Princeton Pike
Building 4, Suite 216
Lawrenceville, New Jersey 08648

Ladies and Gentlemen:

We have acted as counsel to the [Name of Borrower], a [municipal corporation] [political subdivision] of the State (the “Borrower”), which has entered into a Loan Agreement (as hereinafter defined) with the New Jersey Infrastructure Bank (the “I-Bank”), and have acted as such in connection with the authorization, execution, attestation and delivery by the Borrower of its Loan Agreement and Borrower Bond (as hereinafter defined). All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

In so acting, we have examined the Constitution and laws of the State of New Jersey, including, without limitation, the “Local Bond Law”, P.L. 1960, c. 169, as amended (N.J.S.A. 40A:2-1 et seq.),[ the “Municipal Qualified Bond Act”, P.L. 1976, c. 38, as amended (N.J.S.A. 40A:3-1 et seq.),] and the various ordinances and resolutions of the Borrower identified herein. We have also examined originals, or copies certified or otherwise identified to our satisfaction, of the following:

(a) the Loan Agreement dated as of [date of Loan Closing], 2018 (the “Loan Agreement”) by and between the I-Bank and the Borrower;

(b) the proceedings of the governing body of the Borrower relating to the approval of the Loan Agreement and the execution, attestation and delivery thereof on behalf of the Borrower and the authorization of the undertaking and completion of the Project;

(c) the Borrower Bond dated [date of Loan Closing], 2015 (the “Borrower Bond”) issued by the Borrower to the I-Bank to evidence the Loan; and

(d) the proceedings (together with the proceedings referred to in clause (c) above and Section 5 below, the “Proceedings”) of the governing body of the Borrower, including, without limitation, [a] bond ordinance[s] of the Borrower finally adopted on [………………] [and […….], respectively,] and [respectively] entitled “[TITLE OF ORDINANCE]” [and “[TITLE OF ORDINANCE]”], and [a] resolution[s] of the Borrower adopted pursuant to the provisions of N.J.S.A. [40A:2-26 (f) and] 40A:2-27 on [……] [and [……], respectively,] and [respectively] entitled “[TITLE OF RESOLUTION]” [and “[TITLE OF RESOLUTION]”] (collectively, the “Borrower Bond Proceedings”), all relating to the authorization of the Borrower Bond and the sale, execution, attestation and delivery thereof to the I-Bank (the Loan Agreement and the Borrower Bond are referred to herein collectively as the “Loan Documents”).
We have also examined and relied upon originals, or copies certified or otherwise authenticated to our satisfaction, of such other records, documents, certificates and other instruments, and have made such investigation of law as in our judgment we have deemed necessary or appropriate, to enable us to render the opinions expressed below.

We are of the opinion that:

1. The Borrower is a [municipal corporation] [political subdivision] duly created and validly existing under and pursuant to the Constitution and statutes of the State of New Jersey, with the legal right to carry on the business of its Environmental Infrastructure System as currently being conducted and as proposed to be conducted.

2. The Borrower has full legal right and authority to execute, attest and deliver the Loan Documents, to sell the Borrower Bond to the I-Bank, to observe and perform its duties, covenants, obligations and agreements under the Loan Documents and to undertake and complete the Project.

3. The acting officials of the Borrower who are contemporaneously herewith performing or have previously performed any action contemplated in the Loan Agreement are, and at the time any such action was performed were, the duly appointed or elected officials of the Borrower empowered by applicable New Jersey law and authorized by ordinance or resolution of the Borrower to perform such actions.

4. The Borrower has unconditionally and irrevocably pledged its full faith and credit and covenanted to exercise its unlimited taxing powers for the punctual payment of the principal and redemption premium, if any, of the Borrower Bond, Interest on the Borrower Bond and all other amounts due under the Borrower Bond, which Borrower Bond secures the Loan Repayments and all other amounts due under the Loan Documents according to their respective terms. [The Borrower Bond is entitled to the benefits of the Municipal Qualified Bond Act.]

5. The proceedings of the Borrower's governing body (i) approving the Loan Documents, (ii) authorizing their execution, attestation and delivery on behalf of the Borrower, (iii) with respect to the Borrower Bond only, authorizing its sale by the Borrower to the I-Bank, (iv) authorizing the Borrower to consummate the transactions contemplated by the Loan Documents, (v) authorizing the Borrower to undertake and complete the Project, and (vi) authorizing the execution and delivery of all other certificates, agreements, documents and instruments in connection with the execution, attestation and delivery of the Loan Documents, have each been duly and lawfully adopted and authorized in accordance with applicable law and applicable ordinances or resolutions of the Borrower, including, without limitation and where applicable, the Local Bond Law [and the Municipal Qualified Bond Act], the Borrower Bond Proceedings and the other Proceedings, which Proceedings constitute all of the actions necessary to be taken by the Borrower to authorize its actions contemplated by clauses (i) through (vi) above and which Proceedings were duly approved and published, where necessary, in accordance with applicable New Jersey law at a meeting or meetings duly called pursuant to necessary public notice and held in accordance with applicable New Jersey law and at which quorums were present and acting throughout.
6. The Loan Documents have been duly authorized, executed, attested and delivered by the Authorized Officers of the Borrower and the Borrower Bond has been duly sold by the Borrower to the I-Bank; and assuming in the case of the Loan Agreement that the I-Bank has the requisite power and authority to authorize, execute, attest and deliver, and has duly authorized, executed, attested and delivered, the Loan Agreement, the Loan Documents constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, subject, however, to the effect of, and to restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally. No opinion is rendered as to the availability of any particular remedy.

7. The authorization, execution, attestation and delivery of the Loan Documents by the Borrower and the sale of the Borrower Bond to the I-Bank, the observation and performance by the Borrower of its duties, covenants, obligations and agreements thereunder, the consummation of the transactions contemplated therein, and the undertaking and completion of the Project do not and will not (i) result in any breach of any of the terms, conditions or provisions of, or (ii) 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 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 is subject.

8. All approvals, consents or authorizations of, or registrations of or filings with, any governmental or public agency, authority or person required to date on the part of the Borrower in connection with the authorization, execution, attestation, delivery and performance of the Loan Documents, the sale of the Borrower Bond and the undertaking and completion of the Project have been obtained or made.

9. There is no litigation or other proceeding pending or, to our knowledge, after due inquiry, threatened in any court or other tribunal of competent jurisdiction (either state or federal) (i) questioning the creation, organization or existence of the Borrower, (ii) questioning the validity, legality or enforceability of the Loan or the Loan Documents, (iii) questioning the undertaking or completion of the Project, (iv) otherwise challenging the Borrower's ability to consummate the transactions contemplated by the Loan or the Loan Documents, or (v) that, if adversely decided, would have a materially adverse impact on the financial condition of the Borrower.

10. The Borrower has no bonds, notes or other debt obligations outstanding that are superior or senior to the Borrower Bond as to lien on, and source and security for payment thereof from, the general tax revenues of the Borrower.
We hereby authorize McCarter & English, LLP, acting as bond counsel to the I-Bank, and the Attorney General of the State of New Jersey, acting as general counsel to the I-Bank, to rely on this opinion as if we had addressed this opinion to them in addition to you.

Very truly yours,
EXHIBIT F

Additional Covenants and Requirements
EXHIBIT G

General Administrative Requirements for the
State Environmental Infrastructure Financing Program
LOAN AGREEMENT

BY AND BETWEEN

NEW JERSEY INFRASTRUCTURE BANK
(f/k/a the New Jersey Environmental Infrastructure Trust)

AND

[NAME OF BORROWER]

DATED AS OF [DATE OF LOAN CLOSING]
IN WITNESS WHEREOF, the I-Bank and the Borrower have caused this Loan Agreement to be executed, sealed and delivered as of the date first above written.

NEW JERSEY
INFRASTRUCTURE BANK

[SEAL]

By: ________________
    Robert A. Briant, Jr.
    Vice Chairman

ATTEST:

__________________________
David E. Zimmer
Assistant Secretary

[NAME OF BORROWER]

[SEAL]

By: _______________________
    Authorized Officer
    Title

ATTEST:

__________________________
Authorized Officer
Title

[signature page]
SCHEDULE A

Certain Additional Loan Agreement Provisions

In addition to the terms defined in subsection (a) of Section 1.01 of this Loan Agreement, certain additional capitalized terms used in this Loan Agreement shall, unless the context clearly requires otherwise, have the meanings ascribed to such additional capitalized terms in this Schedule A.

Additional Definitions:

“Borrower” means ______________, an Entity duly created and validly existing pursuant to the laws of the State of New Jersey, including, without limitation, the Borrower Enabling Act, and any successors and assigns thereto.

“Borrower Enabling Act” means the “Local Bond Law”, constituting Chapter 169 of the Pamphlet Laws of 1960 of the State (codified at N.J.S.A. 40A:2-1 et seq.), as the same may from time to time be amended and supplemented, and the “Local Budget Law”, P.L. 1960, c. 169, as amended (N.J.S.A. 40A:4-1 et seq.).

“Dated Date” means [date of Loan Closing], 2018.

“Entity” means a municipal corporation of the State of New Jersey.

“Interest Payment Dates” means February 1 and August 1 of each year, commencing on ________ 1, 201_.

“Loan” means the loan made by the I-Bank to the Borrower to finance or refinance a portion of the Costs of the Project pursuant to this Loan Agreement. For all purposes of this Loan Agreement, the amount of the Loan at any time shall be the initial aggregate principal amount of the Borrower Bond [plus the Borrower’s allocable share of capitalized interest during the Project construction period], less any amount of such principal amount that has been repaid by the Borrower under this Loan Agreement and less any adjustment made pursuant to the provisions N.J.A.C. 7:22-4.26 and the appropriations act of the State Legislature authorizing the expenditure of I-Bank Bond proceeds to finance a portion of the Costs of the Project.

“Principal Payment Dates” means August 1 of each year, commencing on August 1, 201_.

“Proceedings” means [a] bond ordinance[s] of the Borrower finally adopted on [DATE] [and [DATE], respectively,] and [respectively] entitled “[TITLE OF ORDINANCE]” [and “[TITLE OF ORDINANCE]”], and [a] resolution[s] of the Borrower adopted pursuant to the provisions of N.J.S.A. 40A:2-27 [and 40A:2-26(f)] on [DATE] [and [DATE], respectively,] and [respectively] entitled “[TITLE OF RESOLUTION]” [and “[TITLE OF RESOLUTION]”].
EXHIBIT F

Additional Covenants and Requirements

[None.]
RESOLUTION NO. 18 - 20

RESOLUTION OF THE NEW JERSEY INFRASTRUCTURE BANK
AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR
FINANCIAL ADVISOR SERVICES FOR THE TRANSPORTATION INFRASTRUCTURE FINANCING
PROGRAM

WHEREAS, the New Jersey Infrastructure Bank (I-Bank) is authorized to make and enter all contracts necessary or incidental to the performance of its duties pursuant to N.J.S.A. 58:11B-5(d); and

WHEREAS, P.L.2016, c.56, amended provisions of the I-Bank’s enabling act to establish the New Jersey Transportation Infrastructure Financing Program (Transportation Bank) to make loans and provide other assistance to one or more local government units or consortia thereof to finance the cost of transportation projects; and

WHEREAS, the amendments to the I-Bank’s enabling act establishing the Transportation Bank became operative on January 16, 2018 when P.L. 2017 C. 327 was signed into law appropriating administrative and operating funds to the I-Bank for the Transportation Bank; and

WHEREAS, there is a need for the I-Bank to appoint a Financial Advisor for the SFY2019 and SFY2020 Transportation Bank programs.

NOW THEREFORE BE IT RESOLVED THAT the I-Bank hereby authorizes the Executive Director to competitively procure Financial Advisor Services in accordance with the provisions of Executive Order No. 26 and in accordance with the provisions of New Jersey Infrastructure Bank Policy and Procedure number 4.00, “Purchase of Goods and Services;” and

BE IT FURTHER RESOLVED THAT the Executive Director is further authorized to solicit proposals, convene a Committee to review all proposals received, and to make a recommendation as to the selection of a Financial Advisor to the I-Bank Board for approval for a contract term not to exceed two years with an option to extend the term of the contract for one additional year upon approval of the Board; and

BE IT FURTHER RESOLVED THAT the Executive Director is authorized to take all other actions consistent with Executive Order No. 26 to procure the services of a Financial Advisor.

Adopted Date: March 12, 2018

Motion Made By: Robert Long

Motion Seconded By: Mike Russo

Ayes: 7

Nays: 0

Abstentions: 0
RESOLUTION NO. 18 - 21

RESOLUTION OF THE I-BANK AUTHORIZING A ONE YEAR EXTENSION OF ITS AGREEMENT WITH PFM, INC. FOR FINANCIAL ADVISOR SERVICES FOR THE ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM

WHEREAS, the New Jersey Infrastructure Bank (the “I-Bank”) is authorized to procure Financial Advisor Services pursuant to N.J.S.A. 58:11B-5L; and

WHEREAS, pursuant to Resolution No. 16-04, the Board of Directors of the I-Bank (the “Board”) authorized the Executive Director of the I-Bank to solicit proposals for Financial Advisor Services; and

WHEREAS, the I-Bank competitively procured Financial Advisor Services through formal advertisement and distribution of a Request for Proposals (“RFP”) pursuant to I-Bank Policy and Procedure 4.0 (Procurements) and pursuant to Executive Order No. 26 (Whitman); and

WHEREAS, pursuant to Resolution No. 16-15, the Board authorized the execution of an agreement with the highest ranked firm, Public Financial Management, Inc. (“PFM”) for a term of two years with an option for a one year extension subject to Board approval; and

WHEREAS, on June 9, 2016, an agreement was entered between the I-Bank and PFM (“Original Contract”) to provide financial advisor services for a term ending June 30, 2018; and

WHEREAS, the Original Contract approved by the Board pursuant to Resolution 16-15 provides for an extension for up to one year, subject to Board authorization; and

WHEREAS, it is the desire of the Board to exercise the one-year option for renewal of its Original Contract with PFM as outlined in the Original Contract as the Board deems the continuation of utilizing PFM’s services for financial advisor services to be appropriate.

NOW THEREFORE BE IT RESOLVED THAT the Board hereby approves and authorizes the renewal of its Original Contract with Public Financial Management, Inc. for financial advisor services for an additional term of one year, for the period of July 1, 2018 through June 30, 2019; and

BE IT FURTHER RESOLVED THAT the Vice Chairman of the I-Bank is hereby authorized to issue a contract extension to Public Financial Management, Inc. to provide the services set forth in the Original Contract pursuant to the terms and conditions thereof. The terms and conditions of the amended agreement shall include, but not be limited to:

a. The provision of services as outlined in the I-Bank’s RFP distributed on February 2, 2016 and the proposal submitted by Public Financial Management, Inc. dated February 26, 2016; and
b. The payment of all fees for all services as detailed in the February 26, 2016 Proposal and Best and Final Cost Proposal dated March 29, 2016; and

c. Such other terms and conditions as may be contemplated by the RFP and the materials enclosed therewith as deemed necessary and appropriate by the Vice Chairman of the I-Bank.

Adopted Date: March 12, 2018

Motion Made By: Mark Longo

Motion Seconded By: Michele Putnam

Ayes: 7

Nays: 0

Abstentions: 0
RESOLUTION NO. 18 - 22

RESOLUTION ESTABLISHING COMPENSATION FOR CERTAIN STAFF MEMBERS WITH REGARDS TO INCREASED PROGRAMATIC RESPONSIBILITIES

WHEREAS, pursuant to the New Jersey Environmental Infrastructure Trust Act, constituting Chapter 334 of the Pamphlet Laws of 1985 of the State of New Jersey (N.J.S.A. 58:11B-1 et seq.), as the same may be amended and supplemented from time to time (the “Enabling Act”), and, specifically, Section 5(h) thereof, the New Jersey Infrastructure Bank (the “I-Bank”) may appoint and employ an Executive Director and any other officers or employees as it may require for the performance of its duties; and

WHEREAS, pursuant to Part III, Section 4 of the By-Laws of the I-Bank (the “By-Laws”), the Executive Director, inter alia, shall have all the power and authority delegated to him or her in accordance with (i) the By-Laws, (ii) the actions of the I-Bank, or (iii) otherwise pursuant to the provisions of the Act; and the Executive Director shall, subject to the provisions of the By-Laws, have general supervisory and management responsibility over the staff and day-to-day activities of the I-Bank; and the Executive Director shall have the power to sign checks in accordance with Part VII of the By-Laws, and shall, under the direction of the Treasurer of the I-Bank, keep the financial records of the I-Bank and provide for custody of funds and other property of the I-Bank; and

WHEREAS, in October 2016, P.L. 2016, c. 56 amended the Enabling Act to expand the scope of its authority establishing the New Jersey Infrastructure Bank and granting the I-Bank the authorization to fund certain local transportation infrastructure projects; and

WHEREAS, upon the appropriation of operating funds in January 2018, these changes became effective and the I-Bank now manages two separate financing programs: the longstanding New Jersey Environmental Infrastructure Financing Program to fund water-related infrastructure projects and the newly formed New Jersey Transportation Infrastructure Financing Program to fund local transportation projects (“the Transportation Program”); and

WHEREAS, in recognition that the additional responsibilities the Executive Director and certain staff will undertake to establish and implement the new local transportation financing program, it is the desire of the I-Bank to provide additional compensation to the Executive Director and impacted staff members; and;

NOW THEREFORE BE IT RESOLVED, that the salary for the Executive Director shall be increased $7,500 retroactive to January 16, 2018, the date the Transportation Financing Program became operable; and
BE IT FURTHER RESOLVED, that the Executive Director is authorized to increase salaries of certain staff members based on a review of salaries, workload, increased responsibilities and merit in the opinion of the Executive Director up to 6% retroactive to January 16, 2018, upon consultation with and approval from the Board Chair.

Adopted Date: March 12, 2018
Motion Made By: Mark Longo
Motion Seconded By: Roger Ellis
Ayes: 7
Nays: 0
Abstentions: 0
SUMMARY OF ANNOUNCEMENTS:

Executive Director Zimmer summarized the substantive events and correspondence issued since the last I-Bank Board meeting.

- On **March 5, 2018**, Executive Director Zimmer participated in a webinar with Columbia University students and their faculty advisor regarding environmental impact bonds;
- On **February 21, 2018**, Chief Operating Officer Frank Scangarella participated in the NAOIP’s Infrastructure and Logistics Seminar in Newark presenting the issues and structure of I-Bank conduit loans;
- On **February 23, 2018**, Executive Director Zimmer joined DOT Assistant Commissioner, Mike Russo and other DOT senior staff to present at NJ DOT’s Collaboration meeting to begin marketing the new transportation financing program;
- On **February 19 - 20, 2018**, Executive Director Zimmer attended the US-EPA AFAB meeting in Washington, DC;
- On **February 16, 2018**, Chief Operating Officer Frank Scangarella spoke at the New Jersey Bond Counsel meeting regarding the WISE Act and recent changes to the NJIB;
- On **February 14, 2018**, I-Bank and NJ DOT senior staff met to discuss the Transportation Bank Program MOU;
- On **February 13, 2018**, Executive Director Zimmer participated on the US EPA’s EFAB Pre-Disaster Resiliency Investment and Finance Working Group conference call;
- Program staff held and attended various conference calls to discuss pre-planning and prospective financing program participation by:
  - Highland Park Borough Hall – Pre-planning
  - Rutgers – Status
- Executive Director Zimmer continues to serve as a Steering Committee member and co-Chair of the Jersey Water Works Asset Management and Finance Committee and co-host quarterly Finance Committee meetings;
- Assistant Director and Chief Operating Officer Scangarella and NJEIT’s IT staff continue to hold the H2LOans Webinar series to further educate staff and the public on the Program’s H2LOans system;
- I-Bank senior staff continue to meet with consultants from CohnReznick to discuss internal control mechanisms of the I-Bank’s Policies and Procedures; and
- The next Board meeting is scheduled for **April 12, 2018 at 10:00 a.m. at the I-Bank’s offices.**

SUMMARY OF CORRESPONDENCE:

During the past month, the I-Bank received or sent the noteworthy correspondence listed below. Pursuant to the I-Bank’s Green Initiative, the agenda package does not include copies of the following correspondence. Board members should contact the I-Bank Secretary if they wish to receive hard copies.

- 5.02 Certificates were sent to the following Program borrowers:
  
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<td>S340 952-01-1-05</td>
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<tr>
<td>2012A</td>
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<td>S340 388-04</td>
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• On March 6, 2018, a letter was sent to the offices of the Governor and Treasurer requesting approval of NJIB Bond Resolutions for the NJIB Bond Series 2018A-1 and 2018B-1 Environmental Financing Program Bond Sale.

A copy of the announcements is available on the I-Bank’s webpage (https://www.njib.gov/njeit/agenda/) under the Board Meeting Agendas section under Menu. Click on the minutes link for the corresponding month; the announcements will be at the end of the Minutes.